

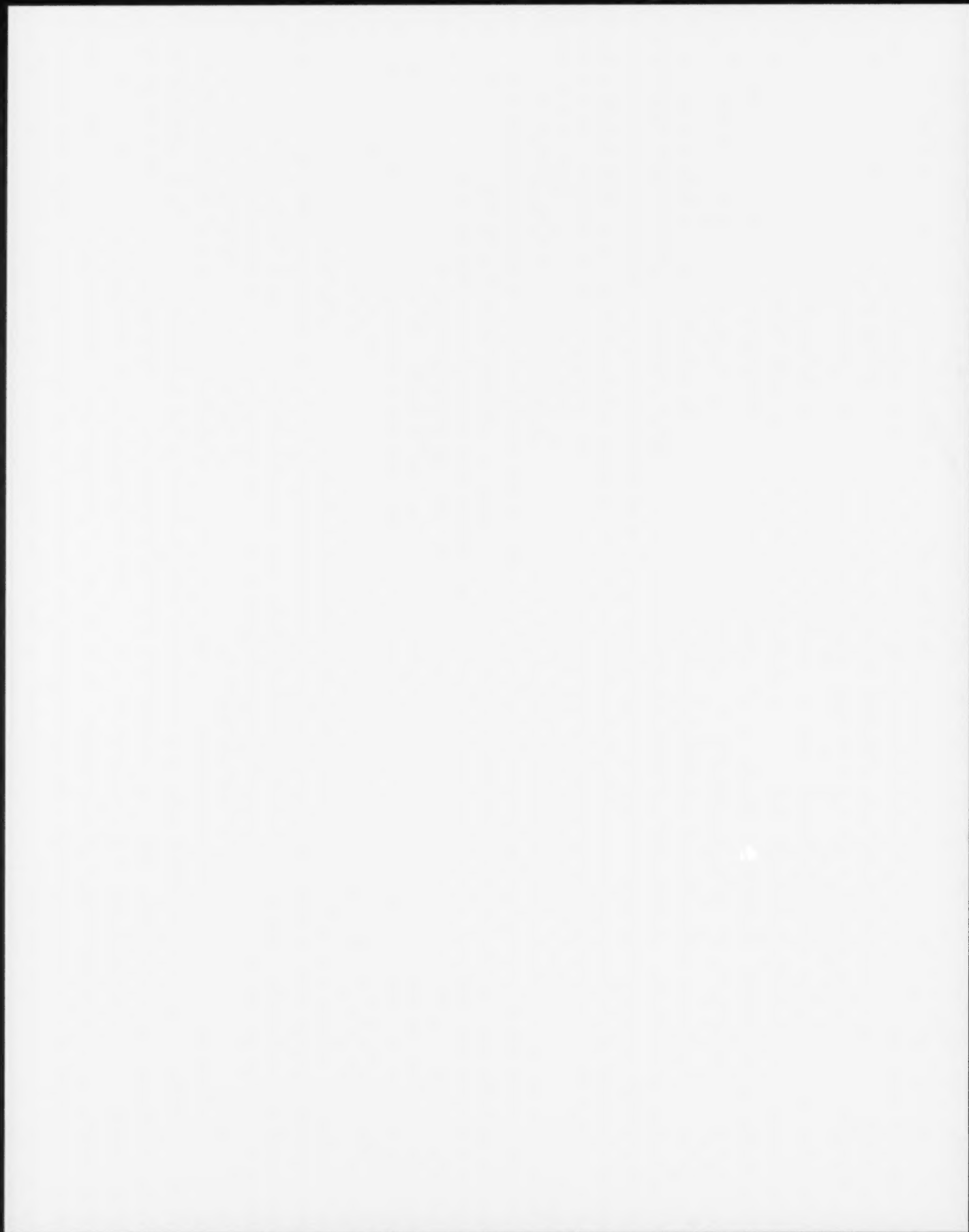
# Ministry of the Economy



2011  
ANNUAL REPORT



Government  
of  
Saskatchewan



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## Letters of Transmittal



Her Honour, the Honourable Vaughn Solomon Schofield,  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2013.

A handwritten signature in cursive script, reading "Bill Boyd".

The Honourable Bill Boyd

Minister of the Economy



Her Honour, the Honourable Vaughn Solomon Schofield,  
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2013.

A handwritten signature in cursive script, reading "Tim McMillan".

The Honourable Tim McMillan

Minister Responsible for Energy and Resources, Tourism and Trade



## Letters of Transmittal



The Honourable Bill Boyd and the Honourable Tim McMillan  
Minister of the Economy and Minister Responsible for Energy and Resources, Tourism and  
Trade

Dear Sirs:

I am pleased to submit the Annual Report of the Ministry of the Economy for the fiscal year ending March 31, 2013. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our Ministry during the year.

A handwritten signature in dark ink, appearing to read 'Kent Campbell'.

Kent Campbell

Deputy Minister, Ministry of the Economy

## Introduction

This annual report for the Ministry of the Economy presents the ministry's results on activities and outcomes for the fiscal year ending March 31, 2013. It reports to the public and elected officials on public commitments made and other key accomplishments of the ministry.

Although a renewed vision in the *Saskatchewan Plan for Growth – Vision 2020 and Beyond* was introduced in October 2012, the 2012-13 Annual Report will be presented in relation to the vision and goals that guided the development of the 2012-13 Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2012-13 Plan.

The report also demonstrates progress made on Government commitments as stated in the *Government Direction for 2012-13: Keeping the Saskatchewan Advantage*, the Minister's Mandate letter, throne speeches and other commitments and activities of the ministry.

The annual report demonstrates the ministry's commitment to effective public performance reporting, transparency and accountability to the public.

## Alignment with Government's Direction

The ministry's activities in 2012-13 align with Government's vision and four goals:

### Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

### Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Improving our quality of life.
- Making life affordable.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

## Ministry Overview

The Ministry of the Economy (ECON) is the newly established economic development arm of the Government of Saskatchewan. Formed out of a major reorganization of government in May 2012, ECON combines the past organizations of the Ministry of Energy and Resources and Enterprise Saskatchewan, economic development components of First Nations and Métis Relations, as well as elements responsible for the province's immigration and labour force development functions from the former Advanced Education, Employment and Immigration. ECON will lead and co-ordinate growth in Saskatchewan, working with other ministries, stakeholders and the general public to keep moving Saskatchewan forward. Central to ECON's mandate will be delivering on the goals and objectives of the *Saskatchewan Plan for Growth*, while focusing on business and industry development and creating a better quality of life for the people of Saskatchewan.

ECON comprises four primary lines of business: petroleum and natural gas; minerals, lands and resource policy; economic development; and labour market development. Through this new organization, the Government of Saskatchewan can achieve better alignment and co-ordination between:

- the Government's economic development policies and programs for the whole province;
- resource sector development, which is driving much of the province's growth; and
- labour market development, which is critical for ensuring that growth opportunities are realized.

ECON maintains relationships with a number of agencies important to the growth agenda, such as Innovation Saskatchewan, Tourism Saskatchewan, the Saskatchewan Trade and Export Partnership (STEP), the Saskatchewan Research Council, the Saskatchewan Trade and Apprenticeship Commission and the Global Transportation Hub.

ECON employees provide services and programs through its main offices in Regina and Saskatoon, regional offices across the province, and the Canada-Saskatchewan Business Service Centre.

For the purpose of this year's annual report, activities and progress have been reported under the organizations the responsibilities would have fallen under prior to the creation of ECON. This is to ensure the information presented remains in line with the reporting structures of these organizations and their respective annual reports. Future reports will be structured under the Ministry of the Economy.

## Progress in 2012 - 13

### Energy and Resources

#### Government Goal: Growth

##### Strategy - OPTIMIZE RESOURCE PRODUCTION AND UTILIZATION

###### *Key Actions & Results*

Encourage industry to introduce new infrastructure and adopt the use of technology to improve recovery and encourage the full utilization of hydrocarbons.

Optimize the capture of natural gas associated with oil production.

- When natural gas produced from oil wells is greater than allowed by regulation, approval to continue oil production requires the conservation of the natural gas.

Support research and development at the Petroleum Technology Research Centre (PTRC) that leads to increased production by Saskatchewan's oil sector.

- The Ministry of the Economy (ECON) provided support and guidance to the PTRC by serving on the PTRC's Board of Directors, the Management Committee and providing technical advice through the Saskatchewan Geological Survey. ECON provided the PTRC with \$2.25 million in core funding in 2012-13.

Continue the Saskatchewan Petroleum Research Incentive (SPRI) and examine new incentives.

- One pilot project funding application was received and is currently in the review process. ECON allocated \$2,629,050 of the \$30,000,000 available for allocation by March 31, 2015.

Support Government's pursuit of resource-based value-added development opportunities.

- ECON supported ongoing utilization of Saskatchewan's large coal resource to generate low-cost, reliable electricity and sustain existing employment in coal mines and coal-fired electricity generating stations.

- ECON worked closely with SaskPower to obtain recognition and financial support for the carbon dioxide capture and storage (CCS) initiatives at the Boundary Dam and Shand generating stations.

ECON worked closely with the forest sector to facilitate restart of existing facilities when suitable market conditions exist.

Work with ministries and agencies to facilitate placement of infrastructure (i.e., roads, power, water and communications) to support and accelerate resource development.

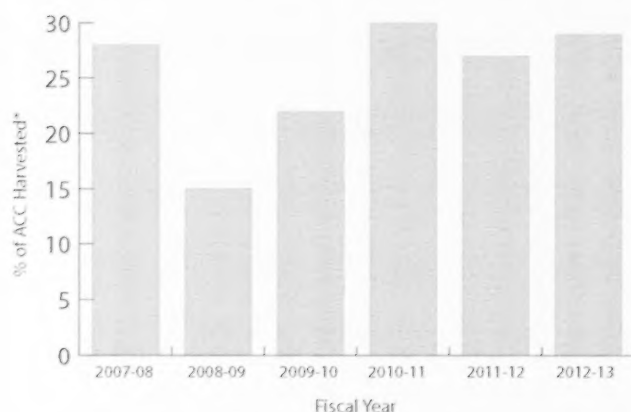
- ECON provided the Ministry of Highways and Infrastructure an overview of the forest industry in Saskatchewan, including the current status and future levels of forest industry truck traffic expected on provincial highways.
- ECON worked with the Ministry of Highways and Infrastructure officials and forest industry representatives to discuss and address forestry-related transportation issues, including load weights, truck configurations, and road construction and maintenance priorities.
- ECON is in regular communication with infrastructure providers to help identify the timing and needs of mining developments.
- ECON worked collaboratively with SaskPower to address power-related issues and to promote green power generation from mill wood waste and biomass.

Facilitate Aboriginal participation in forestry development.

- ECON participated in the Meadow Lake Tribal Council (MLTC) Biomass Power Plant Analysis. MLTC is exploring the potential to build a biomass power generation facility in Meadow Lake at a cost of \$150 million and generating up to 36 megawatts.
- ECON led the negotiation of Long-Term Resource Funding Agreements (LTFA) with three Métis groups and First Nations. These agreements are to build capacity and skills, providing further opportunities for northern Aboriginal communities to benefit from resource sector development activities. To date, the LTFA with Montreal Lake Cree Nation and North West Communities have been completed.

## Performance Measure & Results

### Percentage of Annual Allowable Cut Harvested, by fiscal year



Source: Ministry of Environment/ Ministry of the Economy

### Measure Description

The annual allowable cut (AAC) is the maximum amount of timber that can be harvested each year. The AAC is determined by balancing ecological, social and economic factors, with the goal of ensuring long-term forest sustainability. The Ministry of Environment determines the AAC, but the forest industry determines the percentage of the AAC harvested based on a number of market-based factors, including global forest products demand and related prices. This measurement is for the Provincial Forest only and does not include timber harvested from Crown Agricultural Lands or private lands.

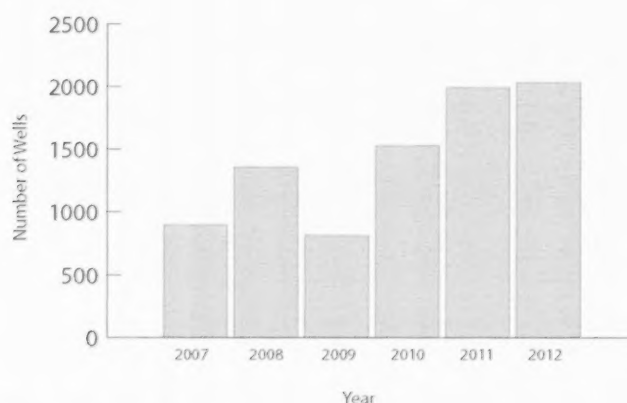
Saskatchewan's primary forest industry is commodity-based and highly susceptible to international market volatility. Forest product prices fell dramatically prior to the global recession in 2008. The global recession began to impact the Canadian forest industry in late 2006. The net effect of these two circumstances combined with a continued high Canadian dollar has contributed to the economic downturn in Canada's forest products sector.

Forest product markets have recently begun to rebound, largely due to the emergence of the Chinese economy and its large dependence on importing natural resources, and substantial increases in U.S. housing starts. After several consecutive years of difficult market conditions, new global and domestic market opportunities for Saskatchewan's forest sector are positively influencing its turnaround and transformation.

ECON works with industry experts such as FPIInnovations and others to seek new technologies and forest products

suitable to Saskatchewan's timber profile and market opportunities. By monitoring the amount of timber harvested each year, the ministry is able to gauge the success of its programs. External factors can heavily influence the success of this measure, including reliance upon the U.S. housing market, the Canada-U.S. Softwood Lumber Agreement and global demand for forest products.

### Horizontal Oil Well Drilling



Source: Ministry of the Economy

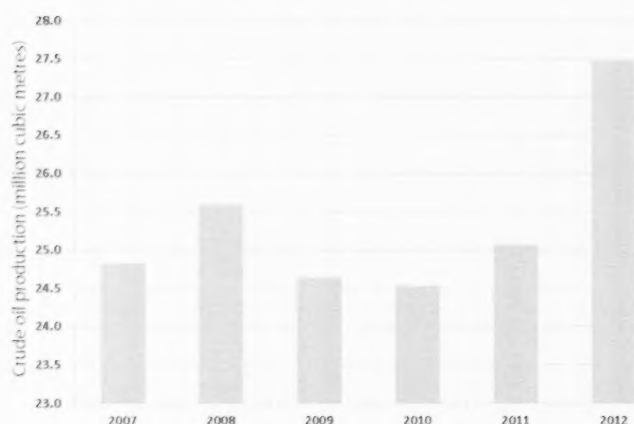
### Measure Description

The level of horizontal drilling in the province is an indication of the effectiveness of the province's regulatory and fiscal provisions. It is also an indicator of the application of improved technologies as well as an important measure of the level of investment. Horizontal well drilling continues to increase in Saskatchewan and has become an accepted or standard practice in many reservoirs in the province.

In 2012, Saskatchewan once again set a record with 2,036 horizontal oil wells drilled. This new horizontal oil well drilling record is a two per cent increase over the previous record set in 2011.

With current oil prices and oil production potential in Saskatchewan, industry has been able to apply new technologies and refine current techniques in order to increase recoverable oil reserves. The application of these new techniques and refinements has allowed industry to successfully develop large oil plays such as the southeast Bakken play and to show a renewed interest in plays such as the Viking and Birdbear formations in the west as well as the Lower Shaunavon formation in the southwest.

## Saskatchewan Crude Oil Production



Source: Ministry of the Economy

### Measure Description

Oil production is influenced by many factors including geology, commodity prices, drilling and recovery techniques, fiscal structures, field infrastructure development and weather. Recently there has been record oil production levels due to an all-time high in the number of horizontal oil wells drilled within the province. Oil production levels have been relatively steady over the past decade as production levels from newly drilled wells have generally offset the decline in production from existing wells. This measure is a good indicator of the success of the province's regulatory and fiscal policies and programs.

## Strategy – MAINTAIN A COMPETITIVE BUSINESS CLIMATE

### Key Actions & Results

Continue with a progressive and attractive framework for mineral rights management.

- *The Mineral Tenure Registry Regulations*, which govern the operation of the Mineral Administration Registry Saskatchewan (MARS) system, are complete. The MARS system went live on December 6, 2012.

- Amendments to *The Subsurface Mineral Disposition Regulations, 1960*, to support new investment in the potash industry were completed on November 30, 2012. These amendments streamline the process for adding Crown mineral lands to existing potash leases to support ongoing mine operations. They will also confirm the legal status of special lease agreements issued to potash companies by Order in Council under *The Crown Minerals Act*.

Examine royalty structures for mineral commodities that have yet to be developed.

- Regulations for the new diamond royalty system have been developed, and royalties for rare earth elements will be considered as part of the review of precious and base metal royalties in 2013.

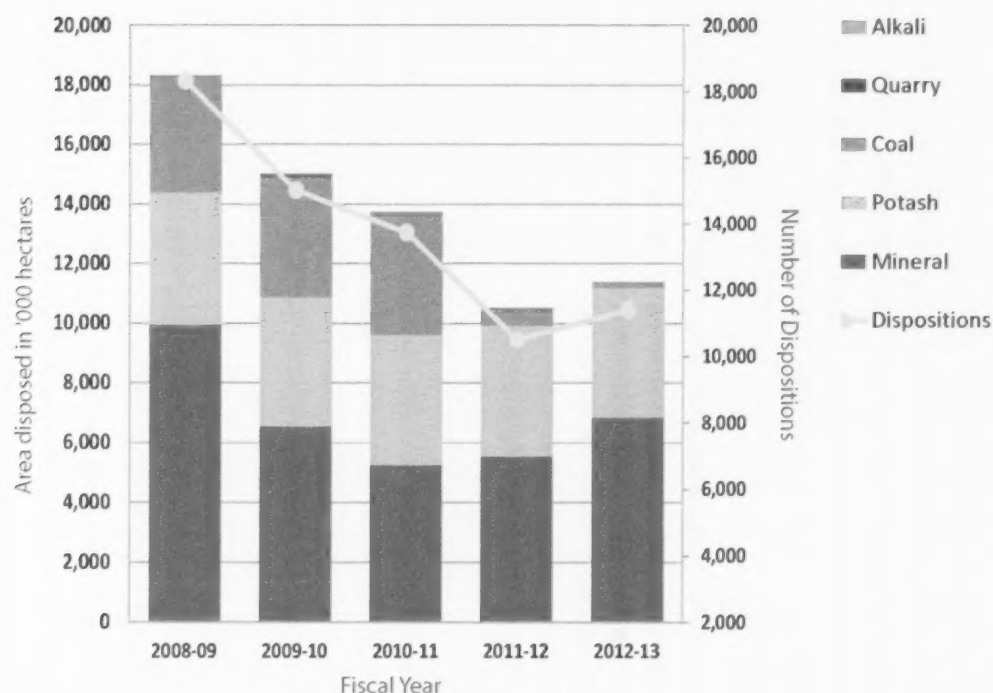
Consider the development of a market-based forestry dues and fees structure.

- ECON initiated a review of timber royalty rates in collaboration with the Ministry of Environment and consultation with the forest industry.
- Objectives of the review included: one standardized rate structure for the province; remain competitive with other provinces; provide a fair return to the province; and honour related commitments in the 2006 Canada-U.S. Softwood Lumber Agreement.

## Performance Measure & Results

### Crown Metallic and Industrial Mineral Dispositions

(by area, in thousand hectares, and number by mineral and fiscal year to 2012-13)



Source: Ministry of the Economy

### Measure Description

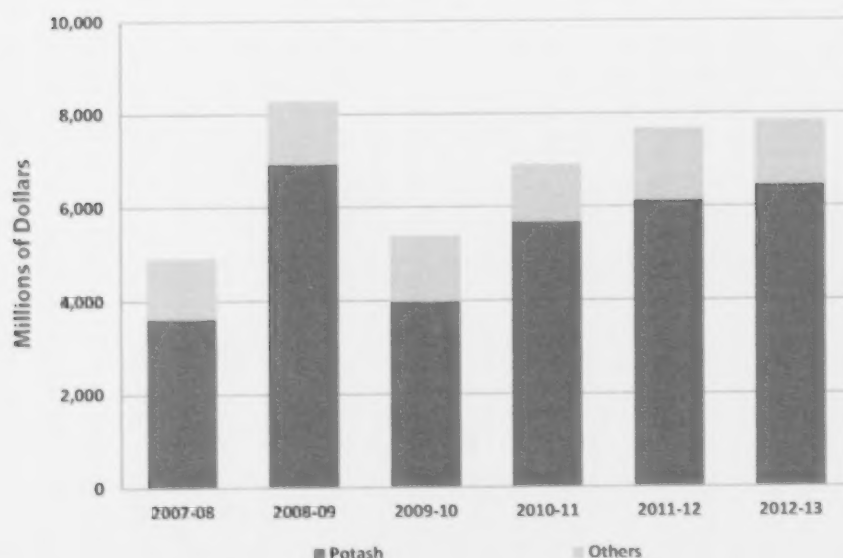
This measure indicates how well the ministry manages rapid changes in disposition of our vast mineral resources to minimize delays in approval of new claims, permits and leases as well as registering ownership transfers, all important services to the industry. The chart above displays activity by major mineral category (in the table above, "Mineral" includes uranium, gold, diamonds and platinum group minerals). In 2008 and 2009, discoveries of coal greatly increased the volume of dispositions processed by the ministry. Industry must continue to explore such deposits and determine whether development of mining or other processing options are viable. Increases in the total land area of Crown-owned mineral lands being leased and permitted for mineral exploration is an indication of how growth in mineral exploration and development activity in Saskatchewan relates to interest in specific commodities. Such activity contributes to increased likelihood of discovery of economically recoverable deposits of minerals.

After 2008-09, the land disposed for mineral exploration (uranium, gold, diamonds, etc.) decreased steadily until 2010-11 and then started to rebound in early 2013. The area disposed for potash has been relatively stable since 2008 (approximately 4.3 million hectares), while the area disposed for coal that exceeded 4 million hectares in 2009-11 dropped by 97 per cent down to less than 0.2 million hectares by early 2013. These fluctuations are fairly typical of the exploration cycle.

The implementation of MARS in December 2012 significantly decreased the cost of acquiring a claim by eliminating ground staking. This in turn spurred the interest of junior companies and individual developers not previously active in Saskatchewan. The Patterson Lake discovery also triggered a mini-staking rush that lasted less than two days, but resulted in the acquisition of 400,000 hectares. The combination of these two elements caused a high level of activity resulting in 1.5 million hectares disposed during the first four months of operation of the new system.

The level of disposition for mineral and potash remains well above historical averages, while the level of disposition for coal is nearly back to the pre-2008 level.

## Value of Mineral Sales (in Fiscal Years)



Source: Ministry of the Economy

## Measure Description

This measure reflects the performance of the mineral industry resulting from the production of Crown minerals. The ministry uses this measure to assess and develop tax and royalty policy.

Due to confidentiality of information, the above chart can only display the value of sales for the potash industry and for all other non-petroleum industries aggregated.

## Mineral Investment Climate – Inter-jurisdictional Comparison by the Fraser Institute Source: Fraser Institute's Survey of Mining Companies 2012/13

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Alberta	24/96	18/93	32/79	32/72	34/71	28/68
British Columbia	34/96	35/93	42/79	31/72	39/71	37/68
Manitoba	33/96	11/93	17/79	22/72	29/71	5/68
New Brunswick	12/96	27/93	38/79	26/72	28/71	14/68
Newfoundland & Labrador	14/96	8/93	25/79	17/72	9/71	27/68
North West Territories	18/96	46/93	59/79	53/72	46/71	43/68
Nova Scotia	37/96	51/93	51/79	40/72	54/71	47/68
Nunavut	28/96	30/93	50/79	46/72	27/71	45/68
Ontario	17/96	23/93	19/79	30/72	21/71	14/68
Quebec	26/96	9/93	2/79	3/72	1/71	2/68
Saskatchewan	5/96	4/93	3/79	6/72	5/71	10/68
Yukon	7/96	3/93	11/79	11/72	16/71	13/68

Source: Fraser Institute's Survey of Mining Companies 2012/13

## Measure Description

In February 2013, the Fraser Institute, in its annual survey of mining companies, ranked Saskatchewan the fifth most attractive jurisdiction in the world, and first in Canada, for mineral potential assuming current regulations and land use restrictions. That metric, which is summarized in the chart above for Canadian jurisdictions, is considered by the Fraser Institute the best measure of a jurisdiction's investment attractiveness. The survey is based on the opinions of mining executives rating the investment climate of 96 jurisdictions around the world. The 96 jurisdictions include Canada, U.S., Australia, Oceania, Africa, Latin America and Eurasia.

Geological and economic evaluations are requirements for exploration, but in today's globally competitive economy where mining companies may be examining properties located on different continents, a region's policy climate has taken on greater importance in attracting and winning investment. Government policies include administration, interpretation and enforcement of existing regulations; environmental regulations; regulatory duplication and inconsistencies; taxation; uncertainty concerning Aboriginal land claims and protected areas; infrastructure; socio-economic agreements; political stability; labor issues; geological database; and security.

## Strategy – PROMOTE INVESTMENT OPPORTUNITIES

### Key Actions & Results

Participate in key international trade shows and events that promote Saskatchewan resource opportunities.

- Participated in the Global Petroleum Show in Calgary, the North American Petroleum Expo in Houston, Texas and the World Heavy Oil Congress in Aberdeen, Scotland, all of which are trade shows and associated business and technical conferences where the province's oil and gas resource opportunities were showcased through the trade show booth as well as technical and business presentations and sponsorship of receptions.
- Undertook a mineral investment attraction mission to China and Korea. The mission included a booth and technical presentations at the annual China Mining Conference in Tianjin and the Canada Mineral Investment Forums in Beijing and Seoul, in addition to meetings with government agencies, enterprises and investors who have considered or are considering investing in Saskatchewan mineral projects.

- Participated in several North American trade shows and conferences including: the Geological Open House in Saskatoon, the Mineral Exploration Roundup in Vancouver, the Prospectors and Developers Association of Canada International Convention and Trade Show in Toronto, the Williston Basin Petroleum Conference in Bismarck, North Dakota, and the Canadian Society of Petroleum Geologists Geoconvention in Calgary.

Develop and deliver business and marketing strategies to promote investment.

Update mineral marketing materials.

Increase the variety of materials in select foreign languages:

- Developed draft oil and gas and mining brochures for promotional purposes with the intention of translating into key languages, including Korean, Japanese and Mandarin. Also drafted revised technical fact sheets for both oil and gas and mining to provide more detailed information for a variety of audiences. These elements are now under review after the restructuring and pending new visual identity requirements.

Enhance the ministry website and the provision of online information.

- New geosciences databases, maps and reports have been added to ECON's website. In collaboration with the Ministry of the Environment, the provincial Timber Supply Area and Forest Product Mill map was updated and loaded onto both ministry websites. This map indicates allowable timber harvest levels for each timber supply area and the location and types of major forest products mills.

## Strategy – ENCOURAGE NEW RESOURCE DISCOVERIES

### Key Actions & Results

Ensure Ministry policies promote increased exploration activities to increase investment opportunities.

- Completed survey of mineral exploration spending for 2012 and spending intentions for 2013.

Continue to provide an effective Mineral Exploration Tax Credit (METC) program.

- ECON received and approved the applications for the non-refundable tax credits for eligible investments totalling \$1.5 million for the 2012 tax year.

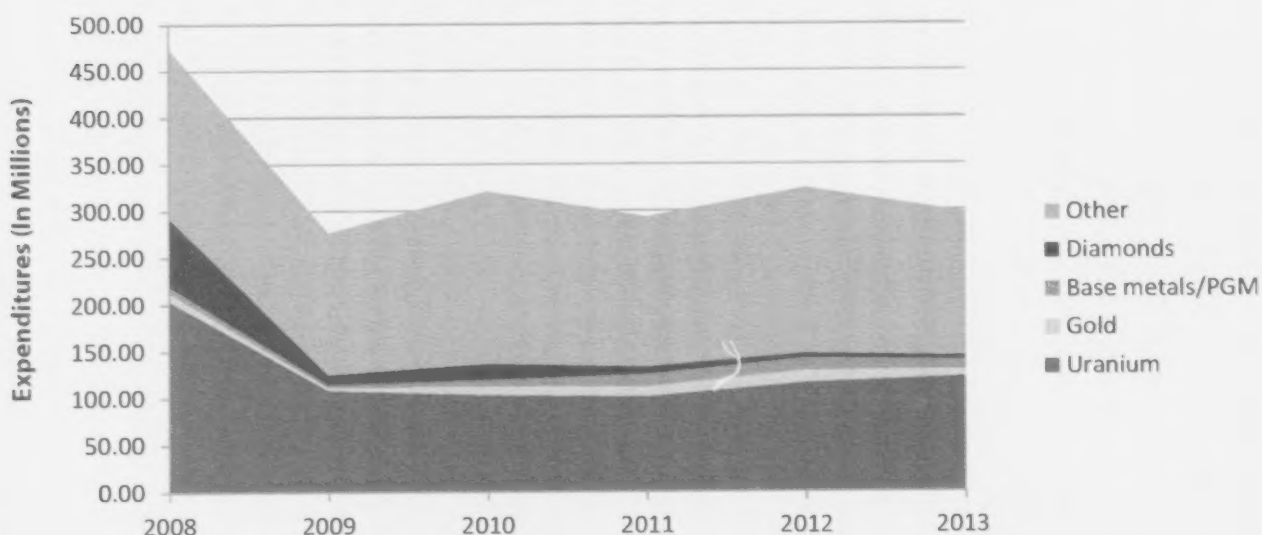
Gather, interpret and disseminate geosciences information.

Profile the latest geosciences information at the annual Geological Open House to increase investment opportunities.

- Reports, maps and data for minerals and petroleum-related geosciences research have been prepared and released.

### Performance Measure & Results

#### Mineral Exploration in Saskatchewan (millions of dollars invested per calendar year)



Source: Ministry of the Economy

### Measure Description

Saskatchewan's mineral sector is comprised of three components: mineral exploration, mining and value-added activities. Mineral exploration is crucial to sustaining and growing the sector and often leads to the discovery of new commodities for diversifying the overall mineral sector.

This measure tracks mineral exploration for select commodities. The "other" category includes commodities such as coal, rare earth minerals and potash. While potash is the predominant mineral in this category, it must be combined with other minerals for confidentiality reasons. The relatively high levels of aggregate mineral exploration spending for all categories present a variety of opportunities for employment and business development. The measure helps indicate demand for Saskatchewan mineral resources and identifies possible future developments. According to a Natural Resources Canada survey of provincial and territorial exploration spending, Saskatchewan ranked fifth in Canada in 2012, behind Ontario, British Columbia, Quebec and Nunavut.

In 2012, exploration spending increased by about \$30 million compared to 2011 and remains significantly above historic levels. The Saskatchewan Geological Survey's traditional regional bedrock mapping program is augmented by new geosciences initiatives, such as the development of 3D geologic models of the Athabasca Basin (uranium), Prairie Evaporite (potash) and Flin Flon area sub-Phanerozoic (gold and base metals). The province has established collaborative agreements with Southwest Australia, China and India, which include exchanges of technical and policy information.

## Government Goal: Quality of Life

### Strategy – MANAGE REGULATORY FRAMEWORK COMPLIANCE

#### Key Actions & Results

Introduce measures to reduce flaring and venting where it is feasible to capture gas for commercial uses.

- The Saskatchewan Upstream Petroleum Industry Associated Gas Conservation Standards, Directive S-10 came into effect on July 1, 2012, for new oil wells and facilities licensed on or after July 1, 2012. For existing oil wells and facilities already licensed before July 1, 2012, all parts of this Directive will come into effect on July 1, 2015. Directive S-10 provides enforceable regulatory requirements for reducing flaring and venting of associated gas. The principal regulatory mechanism of Directive S-10 is the establishment and enforcement of flaring and venting restriction volumes for associated gas produced from licensed oil wells and facilities.

Develop best practices information and regulatory compliance guidelines.

Research current techniques in compliance enforcement.

- *The Oil and Gas Conservation Act* and *The Oil and Gas Conservation Regulations, 2012*, were extensively amended on April 1, 2012, to incorporate modern compliance enforcement techniques and procedures.

Identify the most common compliance issues and propose solutions.

- Many compliance issues relate to late, incomplete or incorrect submission of petroleum energy sector data. Recent regulatory changes have allowed for modern compliance approaches such as electronic notification of non-compliance and automated penalty assessment systems.

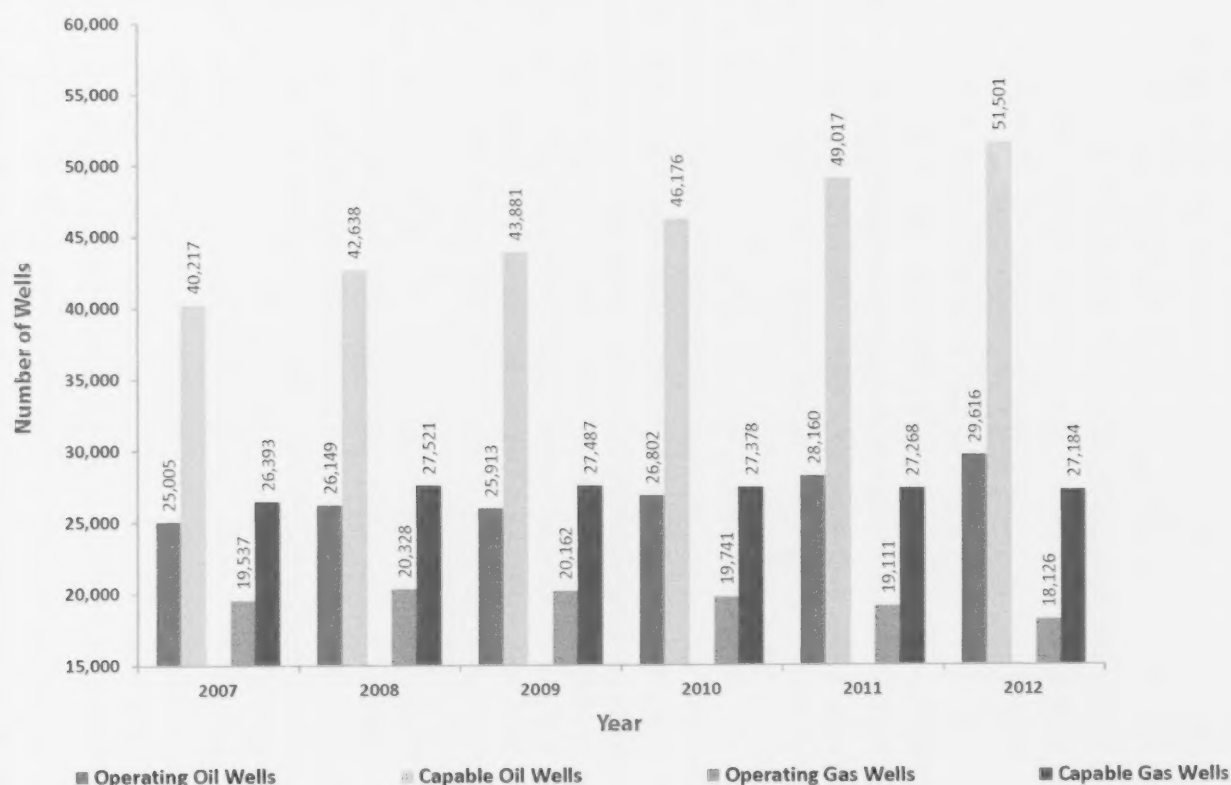
Conduct follow-up assessments and technical reviews of approved oil and gas projects.

- Annual progress reports are submitted by industry for all approved waterflood and enhanced oil recovery projects, and are reviewed fully by Ministry staff. Other data and reports are submitted and reviewed to ensure compliance with acts or regulations.

Conduct field inspections and enforcement activities to ensure environmental protection and public health and safety.

- Lean process reviews were undertaken on all aspects of field inspection programs in spring and summer of 2012, and efficiencies were identified and applied to the program. The new processes will free up time for the inspectors to focus on inspections of core and critical risk public safety and environmental protection activities.
- ECON began a process of developing new field inspection database systems that, when complete, enable the field inspectors to communicate infraction and corrective actions required at the regulated site to the licensee in a timely manner.

## Oil and Gas Service Capable and Operating Well Count



Source: Ministry of the Economy

## Measure Description

The number of capable oil and gas wells in the province has increased from less than 50,000 wells in 2002 (not shown) to approximately 78,500 wells in 2012 (an increase of over 55 per cent). This measure is an indicator of increasing demand on the administrative processes and service levels required to perform the ministry's management of resources as the number of wells in the province increases. Provincial officials monitor the number of oil and gas wells in Saskatchewan because of the importance of this non-renewable resource to our provincial economy. Saskatchewan is the second-largest oil producer in Canada, second only to Alberta, and also the third-largest producer of natural gas, behind British Columbia and Alberta.

The ministry monitors various aspects of oil and gas well activity from a regulatory (operational safety) and revenue perspective (royalties and taxation). The number of capable oil and gas wells provides an indication of the total amount of information recorded and maintained by the ministry for each well in the province. This information includes: well licences, well site co-ordinates (surface/ICP/bottom boundary, cartesian, latitude/longitude, UTM's), drilling information, well status, ownership, dates, completion information, core analyses, pressure and fluid analyses, drill stem tests, logs, casing details, geologic formation tops (company and government), monthly production and product sales information, royalty/taxpayer details, abandonment details, geological reports, lithologic strip logs, etc., and is maintained for all wells drilled under *The Oil and Gas Conservation Regulations, 2012*.

By monitoring the number of capable wells in Saskatchewan, the ministry is able to gauge ongoing activity in oil and gas production, to forecast and anticipate provincial revenues, and to plan the human and financial resources the ministry will need to regulate the industry in an ongoing fashion. By comparing the number of capable oil and gas wells with the

number of operating and producing wells, the ministry is also able to estimate the potential number of wells that may be shut-in until productive capacity is restored perhaps with new technology, or that may be abandoned or left orphaned at some future point.

## Strategy – ADAPT AND IMPROVE THE REGULATORY FRAMEWORK

### Key Actions & Results

Maintain up-to-date and effective Acts and Regulations.

- As part of the MARS and Process Renewal and Infrastructure Management Enhancements (PRIME) projects, ECON continued work to update mineral tenure through development of:
  - *The Mineral Tenure Registry Regulations;*
  - *Subsurface Mineral Amendment Regulations 2012;*
  - *Mineral Disposition Amendment Regulations 2012; and,*
  - *Potash Production Tax Amendment Regulations.*
- During 2012-13, the ministry began work on a new set of regulations to consolidate and modernize its current mineral royalty regulation. *The Crown Mineral Royalty Regulations (CMRR)* incorporate all of the royalty schedule currently found in *The Mineral Disposition Regulations, 1986* as well as new royalty regulations of diamonds. The CMRR will be designed to allow for the easy addition of new royalty schedules and will incorporate, as much as possible, common definitions and terms for all types of royalty payments. An initial working draft of the CMRR was completed by year end, with industry consultations planned for 2013-14.
- Preliminary planning for a public review of *The Surface Rights Acquisition and Compensation Act (SRACA)* was completed in 2012-13. SRACA has not been thoroughly reviewed since the 1970s. The review process is scheduled to begin in the summer of 2013-14.

Ensure an effective consultation process with mineral and petroleum interests and stakeholders.

- Ministry officials regularly attended meetings of the Saskatchewan Mining Association Exploration Committee and were involved in ongoing meetings, including formal and informal technical discussions, with mineral and petroleum exploration companies active in Saskatchewan.

Look for opportunities to standardize regulatory processes and practices across resource sectors and among jurisdictions.

- Adopted similar regulatory reporting requirements as those of Alberta by requiring industry to submit Saskatchewan information through Petrinex (formerly the Petroleum Registry of Alberta) effective April 1, 2012.
- Held kick-off meeting for the Saskatchewan-Industry Petroleum Tenure Advisory Committee (Sk-IPTAC) chaired by Petroleum Tenure Branch with industry representatives from Canadian Association of Petroleum Producers (CAPP), Explorers and Producers Association of Canada (EPAC), Canadian Association of Petroleum Landmen (CAPL), Canadian Association of Petroleum Land Administration (CAPLA), and Saskatchewan Headquartered Oil Producers (SHOP).
- The ministry participated in a New West Partnership (NWP) initiative with the six NWP Energy and Environment Ministries to develop joint positions on various issues associated with federal environmental initiatives that impact the resource sector and to identify a plan for joint action. The ministry also considered other NWP initiatives in the energy sector, including a website for information about hydraulic fracturing and the potential establishment of standardized environmental performance measures for the upstream oil and gas industry in the three western provinces.

## Strategy – MANAGE LONG TERM RESOURCE LIABILITIES

### Key Actions & Results

Administer existing liability programs such as the Institutional Control Program and the Orphan Well Program.

- Administration of the Institutional Control Program ensures that new reclaimed mine sites are moved into the Institutional Control Registry efficiently. An investment advisory group of industry and government officials has been established to provide advice on investment of funds.
- Administration of the Orphan Well Program continues and annual reports on its progress are posted on the ministry website for public viewing.

Work with Saskatchewan Research Council and the federal government on abandoned uranium mine clean-up activities.

- Significant progress has been made towards determining the final remediation options for

the Gunnar and Lorado mine sites. The revised Environmental Impact Statement (EIS) for the Gunnar Mine site was submitted in early March 2013. The Lorado EIS was submitted in December 2012 and is currently under review by regulatory authorities. Remediation progress was also encouraging at several of the satellite sites. Discussions continue with the federal government on funding.

Assess the need for a long-term pipeline liability program.

- Analysis of long-term pipeline liability was completed jointly with Alberta and the National Energy Board but neither province chose to implement a program.

## **Government Goal: Responsive and Responsible Government**

### **Strategy – ENSURE A VIBRANT, EFFECTIVE AND ACCOUNTABLE ORGANIZATION**

#### **Key Actions & Results**

Update key ministry strategic planning documents.

- Following the government reorganization in spring 2012, officials of the ministry began a new approach that will feature a longer term strategic plan, complementing the *Saskatchewan Plan for Growth*, with a renewed annual ministry operational plan to be implemented in the 2014-15 fiscal year.

Align division, branch and individual plans to reflect ministry priorities.

- Up until an operational plan for the ministry was set out, the division, branch and individual plans in effect were reflective of the discrete plans of the former Energy and Resources; Enterprise Saskatchewan; Advanced Education, Employment and Immigration; and First Nations and Métis Relations. Following integration of these work units into the ministry, our focus on core lines of business and responsibility for much of the *Saskatchewan Plan for Growth*, have contributed to increased alignment of work plans to ministry priorities.

Build employee capacity and effectiveness through learning and professional growth opportunities.

- The ministry sought means of increasing employee

capacity and effectiveness through encouragement in training and development. For example, as part of its support for Lean, the ministry offered one-day Lean Foundational Training to all staff not previously trained. This means the ministry now has more than 500 staff who received Lean training. Elsewhere, staff has been encouraged to participate in training and skills development courses and workshops to enhance their contributions to the ministry's core business. Moreover, the ministry recognized the importance of increasing change management skills. During the year, four training sessions were held to equip 60 staff with Prosci change management skills.

Ensure employees have appropriate work environments, tools and technologies to effectively conduct business.

- Forming the ministry in 2012-13 allowed the new organization to take steps to consolidate its operations and rationalize office space in Regina. This also prompted an opportunity to consolidate information technology (IT) services within the ministry under the Information Technology Office (ITO). In addition, the ministry took the opportunity to update and reconfigure electronic storage mechanisms through the ITO SONAS project. The ministry makes extensive use of IT systems for managing its geological records, maps and analyses as well as other documents and databases. In total, the changes affected close to 600 user accounts, involved moving more than 7 million files that consumed 8.7 terabytes of data.

### **Strategy – FOSTER A CULTURE OF CUSTOMER SERVICE**

#### **Key Actions & Results**

Identify and encourage best practices in client-service delivery.

- The ministry benefited from piloting a Lean Management System (LMS) project with the Petroleum Tenure Branch and the Petroleum Data Management and Compliance Branch within the 2012-13 fiscal year. The pilot was successful in equipping front line managers with appropriate skills and tools to manage effectively in a Lean organization and foster a culture of continuous improvement. Through the pilot, managers found useful tools that enabled effective development of new business processes as well as ongoing monitoring and fine tuning of existing processes. The LMS introduced means of tracking work and a very useful learning or training tool for new supervisors or managers.

- The LMS pilot was particularly valuable for its accountability component, and the ministry expects increased productivity and monetary savings will be seen in reduced staffing and training costs. The success of the pilot is such that the LMS will be rolled out across the ministry in 2013-14.

Enhance outreach efforts with clients, stakeholders and the public.

- During 2012-13, the ministry undertook specific consultations with the petroleum industry as it introduced changes to the Well and Facilities Infrastructure Project (WFIP). The ministry engaged the industry by establishing a steering committee with representatives of the Canadian Association of Petroleum Producers (CAPP), the Explorers and Producers Association of Canada (EPAC), the Canadian Association of Oil Well Drilling Contractors (COADC) and the Canadian Association of Geophysical Contractors (CAGC) to address regulatory and policy decisions associated with WFIP.
- Also during 2012-13, the ministry engaged industry through several committees, namely the Saskatchewan Business Change Committee and the WFIP Process Change Committee, to consult on administrative process design with respect to WFIP, the Revenue Management and Billing Project (RMBP) and processes maintained on Petrinex. Various individual companies participate on these committees on a volunteer basis.

Perform service quality evaluations.

- The ministry completed reviews of eight programs as the first part of its four-year plan to review all programs in the ministry. The completed reviews were for programs that either aligned with the core business of enhancing economic growth and competitiveness or the core business of attracting, developing and retaining a skilled workforce in Saskatchewan. The results of the review were not complete before the fiscal year end but are expected to identify potential savings through sunseting the program or taking steps to increase efficiencies to improve citizen service. The ministry will continue to review its programs in order to complete review of 32 additional programs over the coming three years.

## Strategy – INTEGRATE POLICIES, PROGRAMS, PROCESSES AND SYSTEM REVIEWS TO SUPPORT MINISTRY DIRECTION

### *Key Actions & Results*

Be leaders in business process improvement and Lean practices.

- The ministry has a positive track record within government for adopting Lean management principles and in efforts to increase efficiencies with technology-driven business solutions. During the year, the ministry completed and launched the Mineral Administration Registry Saskatchewan (MARS), an online system for issuing mineral permits, claims and leases. These mineral dispositions allow the holder to explore for minerals such as uranium, diamonds, precious metals and base metals. The results have shown immediate benefit with time and cost savings to private-sector operators. In addition, the ministry continues to introduce system process improvements through the Process Renewal and Infrastructure Management Enhancement (PRIME) project, which is modernizing business processes and systems for the oil and gas industry in Saskatchewan. During the year, a Revenue Management and Billing project was completed that calculates and bills companies for royalties and taxes on production. PRIME will continue discrete operational improvements until the project's completion in 2015.

Progress toward full electronic records management.

- The ministry made progress by implementing the MARS system, which includes electronic submissions of new records for mineral claims. The PRIME project also made advances in designing new processes towards electronic file management systems for the oil and gas industry analytics.

Identify alternative service delivery opportunities.

- As part of its support for public sector renewal, the ministry identified a number of functions that could be considered for alternative service delivery. The ministry continues to consider whether alternative service delivery is a reasonable course of action in future years.

Continue with implementation of major business process and system renewals.

#### Process Renewal and Infrastructure Management Enhancements (PRIME):

- Implement introduction of online petroleum production and sales reporting system;
- Implement electronic invoicing; and
- Enhance monitoring and analytics capabilities.
- The Well and Facility Infrastructure Project (WFIP) was initiated in June 2012. When complete, another of the major PRIME-related projects will modernize all of the well data submission and application processes for the oil and gas industry and is scheduled for implementation before the end of the 2014-15 period.

#### Mineral Administration Registry Saskatchewan (MARS)

- The MARS system was successfully launched on December 6, 2012. By year end, 522 new minerals claims, covering 1.46 million hectares, were issued using the MARS system. This is more than the total area of claims issued in the previous 22 months using the old ground staking system. Despite this high level of activity, mineral claims are now typically being confirmed within five business days, when it would previously take up to two months.

#### Implement online mineral staking system.

- As part of MARS implementation, ECON also completed work on new legislation and regulations to govern the MARS system. These changes became effective on December 1, 2012. These actions included proclamation of Part VII of *The Crown Minerals Act* dealing with the operation of electronic tenure registries.
- Approval of *The Mineral Tenure Registry Regulations* (MTRR) which govern the operation of the new system, and repeal of those portions of *The Mineral Disposition Regulations, 1986* that were superseded by the MTRR.

#### Support the operational activities associated with the implementation of new processes and systems.

- Upon the formation of ECON, staff of the ministry worked with the Information Technology Office (ITO) and Fujitsu Consulting (Canada) Inc. (formerly TMC Technology Management Corporation) to efficiently consolidate the ministry's information technology needs. Staff worked with ITO to engage a project manager and set a plan to migrate all computer storage and devices to the ITO network. These changes were integrated with broader system improvements being

effected by ITO. The work affected all Ministry staff and was staged so as to minimize disruption of work. The migration was not fully completed by fiscal year end but was progressing under budget with minimal work disruptions.

#### Pursue opportunities with New West Partnership to achieve Ministry mandate.

- Discussions progressed with the Alberta Geological Survey in support of a project to work collaboratively on the development of a 3D geology model of the Western Canada Sedimentary Basin. The ministry provided \$180,000 as Saskatchewan's share of a major evaluation of Asian markets for energy and resources exports from the three NWP jurisdictions.

## Strategy – OPTIMIZE REVENUES

### Key Actions & Results

Ensure royalty structures reflect the value of commodities.

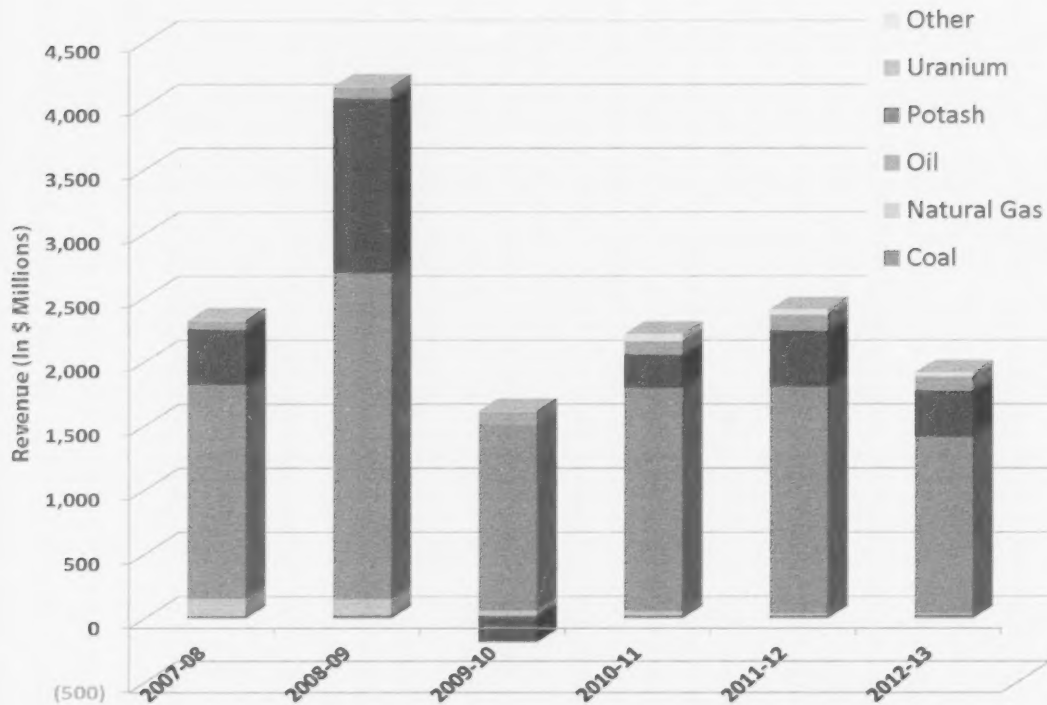
Monitor royalty developments in other jurisdictions.

- A new uranium royalty system was approved in March 2013. The new profit-based system will recognize current levels of industry spending and improve Saskatchewan's competitiveness in attracting new investment. The system was supported by the uranium industry and will improve the likelihood of new mine development and increased government revenues in the province. Royalty structures in other jurisdictions are well understood and are considered when analyzing appropriate royalty levels in Saskatchewan.

Identify and assess potential new revenue opportunities.

- As part of the ministry's revenue forecasting and its contribution to the measurement of economic growth, officials of ECON examined processes to gather economic rents relative to other jurisdictions to ensure Saskatchewan's practices remain competitive to attract and retain resource sector business.

### Historical Non-Renewable Resource Revenue



Source: Ministry of the Economy

### Measure Description

Historical Non-Renewable Resource Revenue is a measure of revenues the Province of Saskatchewan receives through royalties and taxes per fiscal year. The non-renewable resources include uranium, potash, oil, natural gas and coal. The "other" category includes: sodium sulphate, the Mineral Rights Taxes and Real Property sales, and any miscellaneous non-renewable revenue. These revenues are collected by the Ministry of the Economy throughout the fiscal year.

## Strategy – ENSURE FINANCIAL COMPLIANCE

### Key Actions & Results

Apply risk-based audit practices across resource sectors.

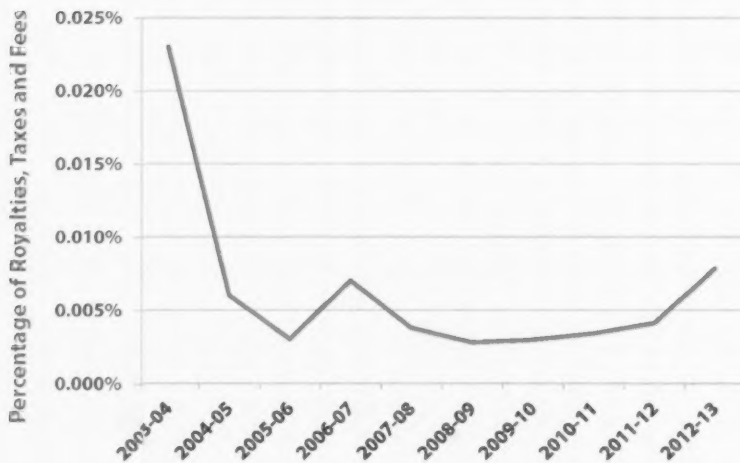
- ECON introduced process improvements to audit procedures that are being well received by industry and which continue the trend to reduce the amount of uncollectible revenues owed to the Crown.

Ensure timely forecasts and budgets for expenditures and resource revenues.

- ECON met with the Ministry of Finance to ensure consistent and accurate forecasts of revenue and expenditure.

### Performance Measure & Results

#### Uncollectible Resource Revenues



Source: Ministry of the Economy

#### Measure Description

The collection of royalties, taxes and fees identifies these non-renewable resource revenues that the ministry collects against the estimated non-collectible revenue that might result. The non-collectible rate is compared to recent year's activities for these revenue streams.

# Enterprise Saskatchewan

## Government Goal: Growth

### Strategy – ENGAGE STAKEHOLDERS TO IDENTIFY SOLUTIONS THAT ENHANCE SASKATCHEWAN'S COMPETITIVENESS

#### Key Actions & Results

Work with the Enterprise Saskatchewan (ES) board of directors, sector teams, strategic issues councils and other ministries to develop and facilitate implementation of strategic recommendations that remove barriers to investment and growth, identify alternative forms of service delivery and enhance competition.

- All of the staff and the majority of the funding for ES were rolled into the Ministry of the Economy to ensure the key levers of the economy that will influence Saskatchewan's growth agenda are integrated into one ministry.
- ES continued to hold funding committed under the Western Economic Partnership Agreement (WEPA) and the Community Development Trust Fund (CDTF) to make payments to the contracted project proponents.
- The mandates of the ES board, sector teams and strategic issues councils have been incorporated into the ministry. Ministry staff will continue to monitor implementation of the many thoughtful recommendations contributed by the volunteers who served as members of the Board, Sector Teams and Issues Councils. Ongoing Board responsibilities will be discharged by the Deputy Minister of the Economy.
- The Labour Market Task Force met seven times during 2012-13. Key accomplishments included development and public validation of a framework for describing current labour market priorities and recommended actions, defining principles to guide labour market development into the future, gathering examples of private sector initiatives and promising practices in labour market development, and discussing shared priorities with the Joint Task Force on Improving Education and Employment Outcomes for First Nations and Métis Employment.

Develop and co-ordinate a provincial economic growth strategy that contributes to Saskatchewan's competitiveness, in consultation with stakeholders.

- The *Saskatchewan Plan for Growth* was announced on October 16, 2012. The ministry assisted with government-wide co-ordination and monitoring of the strategy.

Provide leadership across ministries and agencies in economic development activities through initiatives such as inter-ministry working/co-ordinating groups and the Major Projects Co-ordination Strategy.

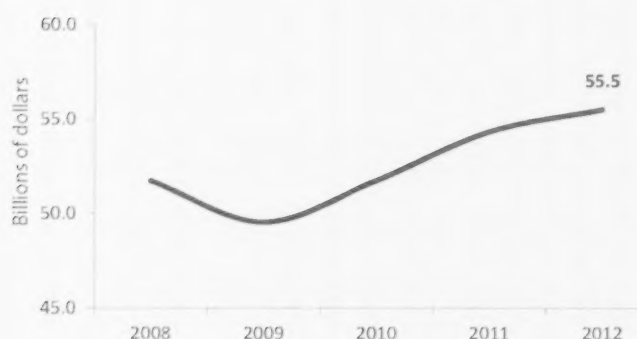
- Ministry officials chaired the Corporate Procurement Committee (CPC), consisting of members from major Saskatchewan corporations representing the Crowns, the private sector and government ministries. The CPC's primary purpose is to maximize Saskatchewan content of goods and services in accordance with trade agreements, to increase awareness of Saskatchewan supplier capabilities, and to encourage the export of goods and services by Saskatchewan suppliers. Four CPC meetings were held in 2012-13 with open houses where over 60 different local businesses from Meadow Lake and Moose Jaw went to learn about the New West Partnership and government procurement.
- Led inter-ministry working groups to deal with labour force development and infrastructure issues for major projects involving Yara International and Grit Industries. Grit has since expanded in North Battleford and added another 10 employees.
- The High Clearance Corridor working committee made up of representatives from ECON, the Ministry of Highways and Infrastructure, and SaskPower ensures that our major projects have trucking routes for large loads available across the province. The committee is currently working to identify where additional high clearance corridor routes should be established.

Convert innovations and advances in research and development into economic opportunity, together with Innovation Saskatchewan and other partner agencies and stakeholders.

- Under the Prairie Gold project through Western Economic Partnership Agreement (WEPA), funding was provided to advance research in industrial oilseed platforms. Potential commercial products to emerge through this research include Agrisoma's 100 per cent renewable jet fuel and potential uses as enhanced oil recovery solvents. Innovation Saskatchewan and Ag-West Bio are further assessing opportunities for this technology.

## Performance Measure & Results

### Saskatchewan Real Gross Domestic Product



Source: Statistics Canada CANSIM Table 379-0030. GDP expressed in basic prices.

### Measure Description

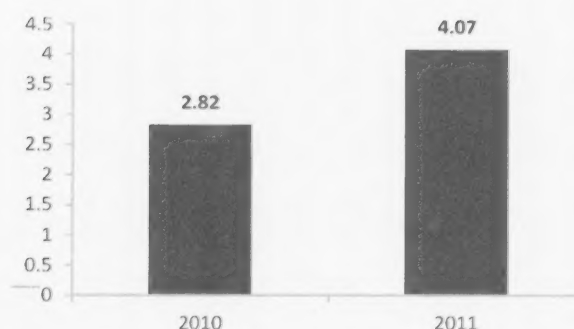
Real gross domestic product (GDP) measures the amount of goods and services produced by the provincial economy. It expresses the value of goods and services produced in 2007 dollars, so that rather than reflecting changes in price, only actual changes in output are reported. Rising real GDP indicates a growing economy and is linked to improved standards of living for Saskatchewan residents.

Saskatchewan's real GDP increased by 2.2 per cent in 2012 to \$55.5 billion, which was the third-highest rate of growth among the provinces.

The manufacturing sector posted a second consecutive year of strong output growth in 2012 (9.2 per cent), while retail trade grew by 5.1 per cent. Gains in agriculture, and mining, oil and gas were quite modest, at 1.2 per cent and 0.8 per cent, respectively.

Enterprise Saskatchewan's efforts were focused on creating a business climate that enables economic growth. Factors like commodity prices, crop yields, global demand, the value of the Canadian dollar, consumer confidence, etc. have an enormous impact on Saskatchewan's economic performance. However, over time the incremental impact of the policy environment and investments influenced have a significant cumulative effect on gross domestic product.

## Client Satisfaction Rating



Source: Ministry of the Economy

### Measure Description

Enterprise Saskatchewan began surveying its many clients and stakeholders in 2010 to determine if the agency was meeting their expectations. The survey was not repeated in 2012 due to the organizational changes that took place with amalgamation into the Ministry of the Economy.

The 2011 survey involved 293 clients including the Enterprise Saskatchewan board and advisory groups, businesses, industry associations, regional economic development partners, other provincial and federal government departments, funding applicants, etc.

Enterprise Saskatchewan's overall client satisfaction rating improved from 2.82 out of 5.0 in 2010 to 4.07 in 2011. Survey respondents indicated that Enterprise Saskatchewan's greatest strengths are in promoting Saskatchewan opportunities, providing strategic direction for economic development and building relationships with businesses. According to respondents, Enterprise Saskatchewan's most needed improvement was to focus on priorities.

## Strategy – INCREASE INVESTMENT IN SASKATCHEWAN

### Key Actions & Results

Collaborate with the Department of Foreign Affairs and International Trade Canada (DFAIT) to generate investment attraction leads and expand Saskatchewan's profile in foreign markets through activities like the consulate contact program.

- Collaborated with over ten DFAIT offices in key markets to promote Saskatchewan investment opportunities, leading to over 16 investment attraction leads, to-

date. As well, in January 2013 ECON participated in the Canada Pavilion at the 2013 Vibrant Gujarat Summit in partnership with the Consulate General of Canada, Mumbai, and the provinces of British Columbia, Ontario, New Brunswick and Québec.

Develop and implement annual marketing/communication plans to support the overall investment attraction strategy for domestic and international audiences.

- Continued the national campaign *Saskatchewan. Real Growth. Real Opportunity.* to encourage people to do business in the province or move to Saskatchewan for a career. Expanded components of the campaign to include international business and media contacts.
- The ministry ran year three of the *Real Growth. Real Opportunity.* campaign from February to March 2013. The campaign focused on recruiting skilled tradespeople and professionals from Ontario and Québec, which have large labour pools and higher unemployment. For that two-month period, the campaign website – [www.thinksask.ca](http://www.thinksask.ca) – received almost 95,000 visits, more than the site received for the entire 2011-12 fiscal year. The ministry also launched a Saskatchewan Jobs Facebook page to promote working in Saskatchewan through social media. The page achieved more than 4,000 likes by the end of March – outperforming industry averages. The ministry attributes the impressive results to more precise targeting of specific geographic regions and occupations through online advertising and social media such as LinkedIn and Facebook.
- Each strategic sector developed a marketing plan for investment attraction and promotion initiatives.

Organize investment attraction missions to, and visits from, priority markets, in partnership with key stakeholders.

- Investment attraction missions have been carried out in over 20 priority markets including the United States, Europe, Japan, India and Canada. The ministry also provided support to 39 incoming trade missions 2012-13.

Facilitate and participate in national and international events and trade shows to attract investment for key industries.

- Participated in numerous events and trade shows in locations such as Halifax, Las Vegas, Boston, Chicago, Jacksonville and Anaheim in North America; Aberdeen; Scotland and Cologne, Germany in Europe; and Gujarat, India. Industries represented at these events included food, defence, oil and gas, mining, manufacturing,

technology and life sciences.

Co-ordinate between the provincial government and other stakeholders to attract new corporate investments and head office expansions from inside and outside the province.

- Work done by ECON staff supported 12 new investments into Saskatchewan in 2012-13. Eight were new companies attracted to the province and four were expansions of existing Saskatchewan companies.
- ECON staff qualified over 300 business investment attraction leads and made over 140 cold calls to businesses that might be interested in setting up operations in Saskatchewan.

Help local companies grow by identifying opportunities and solving problems.

- Organized and held the Saskatchewan Aerospace and Defence Forum, which attracted 60 local business people to meet six federal government prime contractors: Lockheed Martin, GE Canada, General Dynamics Canada, Seaspan Marine, Mercedes Benz, and DEW Engineering, as well as officials from Public Works and Government Services Canada, Western Economic Diversification Canada (WD) and the National Shipbuilding Secretariat. Business-to-business meetings allowed participants to meet one-on-one with the prime contractors and government officials to look at new business opportunities.
- Organized and staffed the international business centre at the Western Canada Farm Progress Show, which attracted over 630 international guests from 55 countries. Helped organize over 150 business-to-business meetings with these international guests and planned an international reception attended by over 700 local business guests.
- Worked with over 10 different manufacturing companies on their production processes in order to determine how to best optimize their processes for their plant layout.
- Provided services to match local companies with supply opportunities. One notable example was the work done to connect the North West Terminal in Unity with opportunities to supply pea protein to a global food industry company.
- In partnership with the Saskatchewan Mining Association organized the Mining Supply Chain Forum, which provided all major mining companies an opportunity to speak to and meet suppliers to the mining industry. Over 500 business people were in attendance. Those who provided evaluations indicated that they made contacts that proved valuable to their business.

- Created the Agri-Value Investment Opportunities List. The list was distributed twice to local and global contacts.

Facilitate significant investments from outside the province by helping companies to overcome challenges and increase project management efficiencies.

- Staff have been assigned as project expeditors to several priority investment attraction projects. Typically the work done by expeditors involves working with other ministries to overcome regulatory hurdles and ensure that required approvals are obtained as quickly as possible.

Review financial programs administered by ES and implement changes that increase investment in Saskatchewan businesses.

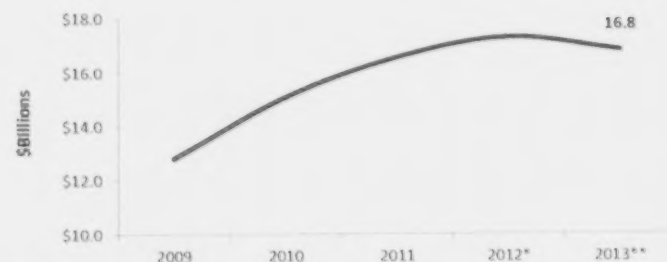
- The Invest in Saskatchewan (labour-sponsored venture capital corporations (LSVCC)) program was reviewed and changes to the program were announced in the 2013-14 Budget. The cap for fundraising was reduced from \$110 million to \$80 million per year, and the LSVCCs were instructed to target 15 per cent of investments to innovation beginning in 2013, rising to 20 per cent in 2014.
- Following a review of the Northern Development Fund Primary Production Loan program, the 2013-14 Budget announced that the program will be discontinued.

Work with companies to identify opportunities to conduct research in Saskatchewan.

- At trade shows and events such as BIO, focused efforts are made to introduce pharmaceutical companies – especially Canadian-based companies – to the research capabilities of Vaccine and Infectious Disease Organization-International Vaccine Centre and the Canadian Light Source Synchrotron.
- Worked with the aerospace and defence industries in the province to promote Industrial Regional Benefits that could be accomplished by linking research organizations like the University of Saskatchewan with global aerospace companies.

## Performance Measure & Results

### Non-Residential Capital Investment in Saskatchewan



Source: Statistics Canada, CANSIM Table 029-0005.

\*Preliminary

\*\*Intentions

### Measure Description

Non-residential capital investment measures public and private investment in non-residential construction, as well as investments in leasing, purchasing, installing, repairing and maintaining machinery and equipment.

Non-residential capital investment is expected to decline by 2.7 per cent to \$16.8 billion in 2013, down from \$17.3 billion in 2012. Capital investment in mining, oil and gas accounts for almost half of total non-residential investment, and it is expected to decline slightly (0.7 per cent) in 2013. Manufacturing capital investment is expected to be the most significant factor in the capital investment decline, dropping from \$1.3 billion in 2012 to \$817.5 million in 2013. The strong Canadian dollar, among other things, appears to be lowering investors' expectations for the manufacturing sector.

## Saskatchewan's Investment Climate Ranking



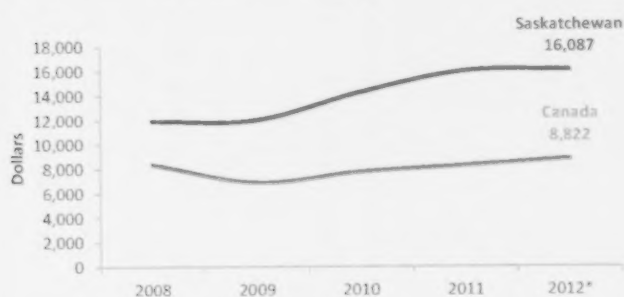
Source: The Fraser Institute

## Measure Description

The Fraser Institute measures the provincial investment climate as a composite of six measures: corporate income tax, fiscal prudence, personal income tax, transportation infrastructure, labour market regulation, and burden of regulation. The study has not been repeated since 2010.

For the most recent three years of the study, Saskatchewan's investment climate has ranked second in Canada, behind Alberta.

## Private Investment per Capita



Source: Statistics Canada, CANSIM Table 029-0005

\*Preliminary

## Measure Description

Private capital investment focuses attention on the investment intentions of the private sector. Capital investment plans not only indicate management views of future prospects for their industry, but also signal the level of satisfaction with the provincial business environment.

Expressing the investment levels in terms of the population facilitates comparison of Saskatchewan to the rest of the country.

In 2012, Saskatchewan received \$17.4 billion in private-sector capital investment, which equated to \$16,087 per capita. This was the second-highest level of investment in Canada, behind Alberta (\$22,790 per capita), and well above the national average.

Private-sector investment levelled off during the recession in 2008 and 2009, but climbed significantly in 2010 and 2011, largely as a result of growth in mining investment.

## Strategy – FOSTER A CULTURE OF ENTREPRENEURSHIP

### Key Actions & Results

Improve entrepreneurial skills development in the education system by providing support to develop additional teaching tools and resources.

- The Government of Saskatchewan's commitment to expanding financial literacy and entrepreneurship education in the K-12 system was reiterated in the *Saskatchewan Plan for Growth*. Work continues with the Canadian Foundation for Economic Education, led by the Ministry of Education, to implement the "Building Futures in Saskatchewan" project. Planned implementation of Building Futures was delayed by a need to redesign the learning framework to fit an inquiry-based curriculum, and to better reflect First Nations and Métis content and ways of learning.
- The ministry provided funding to Junior Achievement of Saskatchewan to expand delivery of its Company Program in Entrepreneurship 30 classes. In 2012-13, participation increased to 24 schools from 14 the previous year.

Work with stakeholders to support the development of entrepreneurs.

- Raised awareness about funding opportunities and encouraged the Big River First Nation to work with the Town of Big River in the creation of the Centre of Excellence Business Development Project, which is a facility that provides adult education and business incubator opportunities on the Big River First Nation. The Centre offers skills development, job training and counselling, as well as post-secondary opportunities. The ministry financially supported the project through the Community Development Trust Fund. The Aboriginal Business Service Network (ABSN) program also played a key role in the project.

- Assisted aspiring entrepreneurs by working with Saskatoon Ideas Inc. through its EMPOWER Business Program. Sat on the Advisory/Adjudication Committee and influenced the selection of Aboriginal entrepreneurs (eight remaining in the program). Ideas Inc. and BHP Billiton Canada Inc. have joined forces to assist in the development of First Nations and Métis entrepreneurs. The EMPOWER Business Program provides entrepreneurs with focused resources to get their ideas off the ground, grow their companies and receive continued support for future success.
- The ministry supported several entrepreneur development initiatives, including the Progress to Capital Business Planning Competition offered by Regina Regional Opportunities Commission and Saskatoon Regional Economic Development Authority; the Verve Symposium organized by Junior Achievement; the Women Entrepreneurs 2012 conference; and Lemonade Day, run by the W. Brent Wilson Centre.

Increase participation in the youth entrepreneurship awareness campaign, in partnership with business and community partners.

- The second year of the Volta Award for young entrepreneurs resulted in 32 eligible entries and significantly higher web activity, with the winner selected in June 2012. Facebook "likes" increased by nearly 700 per cent. The number of followers grew from 400 in year-one to 3,600 in year-two.

## Strategy – INCREASE FIRST NATIONS AND MÉTIS INVOLVEMENT IN THE ECONOMY AS PARTNERS

### Key Actions & Results

Continue to work in collaboration with the Ministry of First Nations and Métis Relations (FNMR) and other partners to support Aboriginal economic development events and facilitate partnerships that create economic opportunity for First Nations and Métis people.

- Worked with the Ministry of Government Relations (former FNMR until July 2012) to develop the parameters of the First Nations, Métis and Northern Economic Development (FNMNED) Branch, in particular as it pertains to understanding the former FNMR's work on "economic benefit sharing" and other economic development plans.
- Worked with colleagues within the ministry and representatives from Montreal Lake Cree Nation, the Agency Chiefs Tribal Council and the Northwest Communities to ensure the long-term resource

agreements meet expectations.

- Facilitated understanding of Aboriginal procurement opportunities through sponsorship of a workshop in partnership with the Aboriginal Human Resource Council and in the planning of the 2013 Saskatchewan Procurement Forum.
- Reviewed options to address effectiveness and relevance of the Aboriginal Business Directory as a business networking tool. This included conducting research on the benefits and issues of concern with the directory. Potential options for consideration were developed.
- Facilitated an opportunity for Raven Events and Communications to come into Saskatchewan and conduct the Aboriginal Business Match (ABM). Identified key contacts for Raven Events and Communications. Initiated discussions with Aboriginal Affairs and Northern Development Canada (AANDC) to leverage its resources for the ABM and undertake capacity work with Aboriginal businesses in advance of the ABM. Raven Events and Communications has successfully delivered this event in British Columbia.
- Worked with AANDC and the Office of the Treaty Commissioner to financially support the development of a Saskatchewan Network of First Nations Economic Development Officers.
- Addressed potential barriers to economic development by working with AANDC and the Muskowekwan First Nation (MFN) by co-ordinating provincial involvement in the early stages of addressing legal certainty with respect to development of a potash mine on-reserve under the *First Nations Commercial Industrial Development Act* (FNCIDA). An Inter-ministerial Working Group on FNCIDA, led by FNMNED, was established.
- Sat as an ex-officio member on the Aboriginal Human Resource Council's (AHRC) Board of Directors to influence its work throughout Canada and specifically in Saskatchewan.
- Supported the process to attract Aboriginal Human Resource Council's (AHRC) Initiatives Inclusion Works 2013 to Saskatoon by promoting Saskatchewan's interests with council members. Inclusion Works is AHRC's premier event that showcases Aboriginal post-secondary graduates to corporations across Canada. Holding the event in Saskatoon offers a unique opportunity to Saskatchewan companies and graduates in 2013 as it is a platform to showcase Saskatchewan to major corporations, provincial and federal representatives, Aboriginal organizations and Aboriginal graduates in Canada.
- Through the ABSN, 126 First Nation or Métis businesses were provided counselling assistance, and 266 individuals received training. One hundred and seventy-eight new positions were created/maintained by the businesses assisted by ABSN.

Continue to expand and market the Aboriginal Business Directory (ABD).

- Provided ongoing support (promotion at events, etc.) to develop the ABD as a tool for major project proponents. Through the ABD, project proponents are able to identify potential Aboriginal events throughout the year. The ABD continues to grow by 15 per cent every year.
- Forty-one new company listings were entered on the ABD in 2012-13. Listings now total 264.

Collaborate with the Clarence Campeau Development Fund (CCDF) to advance Métis economic development.

- Assisted the CCDF board in its efforts to improve and expand delivery of services to Métis people and businesses.

## Government Goal: Quality of Life

### Strategy – FOSTER ECONOMIC DEVELOPMENT BY MODERNIZING REGULATIONS AND ENHANCING SERVICE DELIVERY

#### Key Actions & Results

Work with other partners to streamline government service delivery to business through online services such as Saskbiz, BizPaL, Canada-Saskatchewan Business Service Centre, a Regulatory Information Database, and Information Services Corporation's Business Registrations Saskatchewan.

Refine marketing/communication plans to encourage use of these services by Saskatchewan business people.

- Stakeholder communications and speaking events were used to promote government's online services for the first half of 2012-13. Canada-Saskatchewan Business Service Centre conducted a marketing campaign including radio, business magazines and business association websites to promote its services.

Continue to work with other ministries to streamline regulations affecting trade, investment and labour mobility under the New West Partnership.

- The Regulatory Modernization Unit (RMU) reviews all regulatory proposals that go forward to the Legislation and Regulation Review Committee through a business lens regarding their relevancy, effectiveness and

efficiency, flagging any concerns for potential business impacts and advocating regulatory modernization best practices. This review includes an assessment whether or not the regulations are consistent with the New West Partnership Trade Agreement partner jurisdictions. Since April 2012, the RMU has reviewed 125 regulations.

- Intergovernmental Affairs has asked the RMU to review and provide feedback to ensure that the Province's principles of regulatory modernization (including streamlining) are upheld on the issue of labour mobility in the implementation of the Agreement on Internal Trade.

Continue to implement the Regulatory Modernization Initiative across government to reduce the impact of red tape.

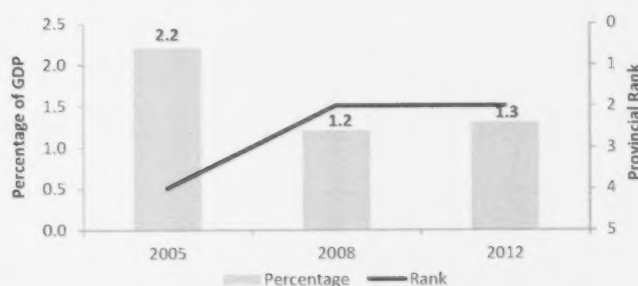
- *The Regulatory Modernization and Accountability Act* received second reading and further direction for its implementation.
- The RMU adapted the Regulatory Cost Model (RCM) acquired from the Government of Alberta to meet the needs of the regulatory impact assessment process in Saskatchewan. The RCM estimates the direct cost of regulatory compliance (administrative, operational and financial). The RMU will pilot the RCM during 2013 in the review of five regulations still to be determined.
- The RMU co-ordinated one meeting of the Inter-Ministerial Regulatory Modernization Committee (IRMC). The IRMC was created to co-ordinate the regulatory modernization efforts pursuant to the Red Tape Reduction Initiative (RTRI) across government.
- In June 2012, the RMU held a meeting with the Johnson-Shoyama Graduate School (JSGS) Training and Outreach to discuss partnership opportunities for training and capacity building for provincial officials in the area of regulatory modernization principles and best practices.
- In September 2012, the RMU presented the RTRI to the Provincial Auditor, who was receptive to the proposed process and provided insightful comments and feedback.
- Government approved changes to *The Alcohol Control Regulations, 2002*, identified as a result of the Red Tape Reduction Committee's assessment of the 151 issues identified in the review in March 2012.
- In May 2012, the Red Tape Reduction Committee (RTRC) targeted a review of the Ministry of Environment's sport hunting and angling regulations. Through an electronic survey, over 3,500 responses were received from sport hunters and anglers across Saskatchewan, the United States and other Canadian provinces. Officials with the Ministry of Environment have analyzed the responses based on major themes that were identified. The RMU is awaiting further direction from the Chair of the

RTRC regarding the next steps for the committee and its review of the sport angling and hunting rules and regulations.

- In January 2013, examination of the regulations impacting the "parks experience" began.

## Performance Measure & Results

### Cost of Regulations



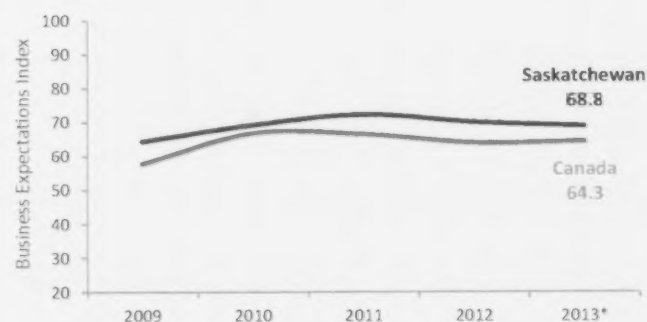
Source: Canadian Federation of Independent Business, Statistics Canada

### Measure Description

The Canadian Federation of Independent Business (CFIB) measures the cost of regulatory burden as a percentage of GDP, based on a survey of the time its members take to comply with regulatory requirements.

From 2005 to 2012, Saskatchewan improved from fourth place to second place among the provinces for lowest cost of regulations. In 2012, regulatory compliance cost Saskatchewan businesses an estimated amount equal to 1.3 per cent of GDP.

## The Canadian Federation of Independent Business - Business Barometer



Source: Canadian Federation of Independent Business

\*Average: January to May 2013

### Measure Description

The CFIB Business Barometer measures business confidence by polling its members on whether they feel optimistic or pessimistic about the upcoming quarter, compared to the last quarter. A score of 50 represents a neutral outlook.

In recent years, Saskatchewan has consistently been above the national index, indicating more favourable business conditions than in the rest of the country, on average. Saskatchewan businesses had the most positive outlook of all provinces in three of the last five years, and were second in the remaining two years. In January to May 2013, Saskatchewan's Business Barometer index score of 68.8 was 4.5 points higher than the Canadian average (64.3).

### Client Use of Business Services

	2008-09	2009-10	2010-11	2011-12	2012-13
Number of Saskbiz website unique hits	n/a	49,558	43,589	34,807	31,797
Number of BizPaL website unique hits	5,484	4,700	4,096	5,716	6,183
Number of CSBSC website unique hits	519,928	144,000*	65,515	68,905	63,642
Number of CSBSC client interactions	13,846	13,700	12,303	13,314	10,757

Source: Ministry of the Economy

\*Regional CSBSC websites were replaced by an integrated national site with regional views in 2009-10, which resulted in a decline in website visits.

## Measure Description

Enterprise Saskatchewan's services help businesses find information that will guide them in making investment decisions and obtaining necessary permits, licences and approvals.

BizPaL unique visits increased by 8.2 per cent in 2012-13. Demand for each of the other services declined last year.

## Strategy – PROVIDE TOOLS TO SUPPORT DEVELOPMENT OF A DIVERSIFIED, SUSTAINABLE ECONOMY

### Key Actions & Results

Work with industry to increase the participation of Saskatchewan companies in global supply chains and in major projects in Saskatchewan.

- Worked with mining, engineering and contract suppliers to mining projects to assist them in understanding and connecting to the breadth of goods and services available in Saskatchewan. Assisted both local and international suppliers to connect with key project and procurement contacts working on mining projects.
- Work was undertaken to understand the kinds of goods and services required to build a potash mine as well as identify potential gaps in supplies for the potash industry. Relevant results are being shared with industry to help them identify opportunities to participate in the mining supply chain. Worked with local companies to look at their core competencies and see if they can use these to expand their company's products and services into new markets. Helped over 40 companies in the province undertake this initiative.

Help Saskatchewan companies take advantage of government procurement opportunities.

- Hosted an Aboriginal Procurement training workshop, facilitated by the Aboriginal Human Resource Council, which attracted participants from 21 corporations and two ministry purchasing offices.
- Provided support to the Purchasers Showcase organized by the Ministry of Central Services. Support included a trade show with the members of the CPPC and a presentation on the NWP and how to access government procurement.
- The CPPC held three meetings at different locations in the province: in Saskatoon the group toured and had presentations from six local businesses, open houses in

Meadow Lake and Moose Jaw attracted over 25 local businesses in each location. Ministry staff presented to the local business community in Saskatoon, Prince Albert and Yorkton on how to do business with government and what the NWP means for local businesses.

Encourage the adoption of Lean principles in key sectors to help increase productivity and offset labour requirements.

- Worked directly with the business community to expose them to Lean principles through workshops and support for manufacturing consortiums in the province. Staff provided support and mentorship to over 40 different businesses in the province that are adopting Lean principles.
- Organized and held the second annual "Sharpening Your Competitive Edge" conference, which provided local companies an opportunity to hear from business leaders on how they improved the productivity and competitiveness of their companies. Approximately 125 business leaders attended this event.
- In conjunction with the Saskatchewan Chamber of Commerce, helped to organize productivity workshops that will be held in five locations around the province in 2013.
- Provided funding and direction to the Saskatchewan Manufacturing Productivity Pilot Project, which provided over 60 companies with benchmarking information to assist in improving competitiveness. The project also provided over 30 companies with more detailed corporate assessment and improvement plans for company growth and competitiveness.

Continue to work with industry and government stakeholders to develop program and policy solutions that support industry development.

- Sector teams held eight meetings in the first half of 2012-13. Since inception, 31 sector team recommendations have gone to the ES board/Cabinet: 23 have been completed and eight are not being implemented.
- Led the provincial government subcommittee on establishing more high clearance corridors for the provincial roadway infrastructure. Work is ongoing with the Ministry of Highways and Infrastructure and SaskPower to create a long-term plan.
- Worked with the Saskatoon and District Industry-Education Council on their plans to establish industry-education councils in Regina and North Battleford. This initiative is being undertaken to help make Saskatchewan youth aware of all of the job opportunities within the province and help deal with

labour shortages in the province.

- Participated as a member of the Feeds Innovation Institute (FII) to ensure clear communications between industry stakeholders and the FII, universities and governments.
- Led an initiative to identify opportunities to address the flared gas issue in southeast Saskatchewan and create environmental and economic development benefits.

Conduct a Small Business Loans Association (SBLA) program review with stakeholders to better understand program utilization, examine opportunities for improvement and identify change required to make it more effective.

- Enhanced the marketing of the SBLA program to provide greater reach.
- The SBLA program underwent a Lean review, and a number of efficiencies have been implemented as a result.
- Conducted an advertising campaign in October and November 2012. SBLA success story ads were placed online, in print and on radio, promoting the increased SBLA loan limit of \$20,000. The campaign was successful – generating a 60 per cent increase in inquiries during its run, with 43 loans approved November/December 2012, compared to 21 loans the same period in 2011. However, because the number of loans declined slightly overall in 2012-13, ECON plans to conduct a spring and fall campaign in 2013-14 to have a more consistent presence in the marketplace.

Enhance the delivery and marketing of the employee investment portion of the Invest in Saskatchewan program, and implement new processes that provide greater utilization of the program.

- Plans for developing marketing strategies were put on hold pending the Invest in Saskatchewan program review.

Incorporate provincial priorities in the fourth Western Economic Partnership Agreement (WEPA).

- Based on decisions by the federal government, WEPA will not be renewed.

Administer the Saskatchewan Renewable Diesel Program to support production of renewable diesel from Saskatchewan facilities.

- In 2012-13, the program paid out \$890,632 to one producer, representing 6.85 million litres of renewable diesel production.

Complete a review of the Ethanol Grant program and advance recommendations to Cabinet.

- The Ethanol Grant program consultations and review concluded the program has been largely successful in meeting its original objectives and recommended that the program be wound down. The 2013-14 provincial budget announced an immediate reduction of the incentive from \$0.15 to \$0.10 per litre. For 2012-13, \$24.3 million in program payments were paid to six ethanol distributors, representing 162 million litres of ethanol production.

## Performance Measure & Results

### Small Business Loans Association Program Results

	2008-09	2009-10	2010-11	2011-12	2012-13
Number of loans	341	257	262	224	219
Loan amount (\$M)	3.82	2.81	2.85	2.47	3.14
Jobs created	558	476	473	427	432
Jobs maintained	574	404	305	213	331

Source: Ministry of the Economy

### Measure Description

Small Business Loans Association loans are determined by local loan associations and are targeted to small businesses that have difficulty meeting the criteria of traditional lenders.

An increase in the loan limit from \$15,000 to \$20,000 took effect in 2012-13, which increased the amount of money on loan, despite a reduction in the number of loans.

In the last five years, SBLA loans have been associated with the creation of 2,366 new jobs and contributed to the maintenance of 1,827 existing jobs.

## Western Economic Partnership Agreement (WEPA) Funding Activities

	2008-09	2009-10	2010-11	2011-12	2012-13
Number of investment contracts	0	12	9	4	7 <sup>1</sup>
Provincial investment (\$M)	1.1	3.2	4.2	1.3	10.3
Total investment leveraged (\$M)	0	10.9	24.2	47.4 <sup>2</sup>	32.3 <sup>3</sup>

Source: Ministry of the Economy

1 The WEPA II agreement provided \$24.4 million in provincial funding and leveraged a total of \$98.2 million in federal and other partner funding for 52 projects over a five-year period ending March 31, 2008. Due to delays associated with the provincial election, the third WEPA agreement was not signed until January 2009, with the result that no new contracts were concluded in 2008-09, although funding continued to flow under existing contracts.

2 This is a cumulative total since the beginning of WEPA III in 2009-10; some of the commitments will not be fulfilled until 2013-14. Until projects are completed, it is very difficult to determine how much of the leveraged funds were actually spent during a given fiscal year.

3 WEPA III had a total of 32 projects and total commitments of \$23.6 million covering the period from January 29, 2009, to March 31, 2014.

4 In February 2013, a key partner withdrew from an approved project due to a change in its board of directors and subsequent change in company focus. This resulted in a significant loss of leveraged project dollars and cancellation of a \$1.5 million provincial project.

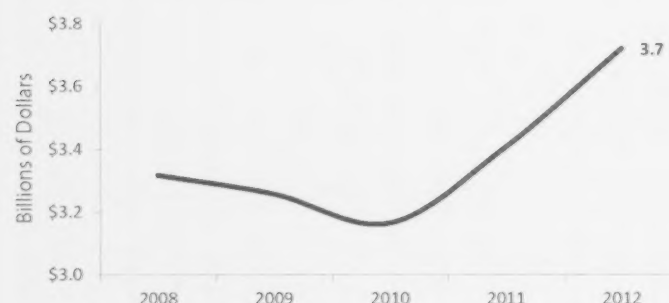
### Measure Description

The Western Economic Partnership Agreement (WEPA) focuses on increasing the competitiveness and productivity of the Saskatchewan economy and represents a strong federal-provincial partnership that is helping Saskatchewan strengthen its key sectors.

WEPA funding supports projects that provide businesses with additional tools to succeed in the knowledge-driven global marketplace. The \$25 million Western Economic Partnership Agreement III program budget is fully committed to 32 projects. Contracts were signed for seven new projects representing \$10.3 million in provincial funding in 2012-13.

WEPA was not renewed and the program will expire on March 31, 2014. The balance of outstanding commitments will be paid prior to that date.

## Saskatchewan Manufacturing Sector Real GDP



Source: Statistics Canada, CANSIM Table 379-0030

### Measure Description

Manufacturing sector real GDP indicates changes in value-added production levels. Output is expressed in 2007 dollars to control for price fluctuations. It measures the combined performance of Saskatchewan's manufacturing industries. Growth in the manufacturing sector is important to consider as an indicator of economic diversification.

In percentage terms, the greatest growth in output occurred in machinery manufacturing (22.1 per cent), chemical manufacturing (14.8 per cent), fabricated metal manufacturing (11.8 per cent) and food manufacturing (5.8 per cent). Wood product manufacturing increased by 35.5 per cent from 2011 to 2012, but it is a relatively small industry in Saskatchewan and has limited impact on the overall performance of the manufacturing sector. Petroleum product manufacturing is a very significant manufacturing sub-sector in Saskatchewan, but Statistics Canada does not release GDP data for this industry for confidentiality reasons.

## Strategy – ENSURE SASKATCHEWAN'S LABOUR SUPPLY MEETS LABOUR MARKET DEMAND

### Key Actions & Results

Participate in labour recruitment missions to select national and international markets, in partnership with other stakeholders.

- The ministry and its partners, Saskatoon Regional Economic Development Authority (SREDA) and Regina Regional Opportunities Commission (RROC), took 26 employers to the National Job Fair in Toronto in April 2012. The employers took over 500 job opportunities with them and received 2,800 leads. Nine employers,

which directly recruited at the Toronto fair and tracked results, reported 27 hires. The ministry's marketing in the Toronto area had an impact. For the week of the job fair, April 1-7, 2012, there were 1,223 visits to thinksask.ca from Ontario out of a total of 1,344 visits to the website. For that same week, saskjobs.ca received 20,450 Ontario visits, with 540 of those visitors referred by thinksask.ca. This compares to 15,600 hits received the week of January 29 to February 4, 2012, on saskjobs.ca, demonstrating the job fair-related marketing had an effect. The ministry generated at least 11 interviews for Saskatchewan Zone exhibitors, which resulted in coverage on Toronto CBC radio and national CTV news, among others.

- The ministry – along with recruitment working group colleagues RROC, Assemblée communautaire francasque (ACF) and the Conseil de la co-operation de la Saskatchewan (CCS) – led a group of Saskatchewan employers to the National Job Fair in Montréal in October 2012. Five employers took more than 200 vacant positions to the job fair with over 280 leads generated and at least six job offers reported, as of November 2012. ECON's advertising in the Montréal area for the three weeks leading up to the fair had an impressive impact. Québec visits to saskjobs.ca went from 71 in the three weeks before the campaign, to 6,565 during the campaign. Visits to thinksask.ca went from 28 to 6,385.

Assist the Ministry of Advanced Education, Employment and Immigration in creating a provincial labour market strategy that builds partnerships among industry, labour, First Nations and Métis people and organizations, and training institutions to help close labour market supply and demand gaps.

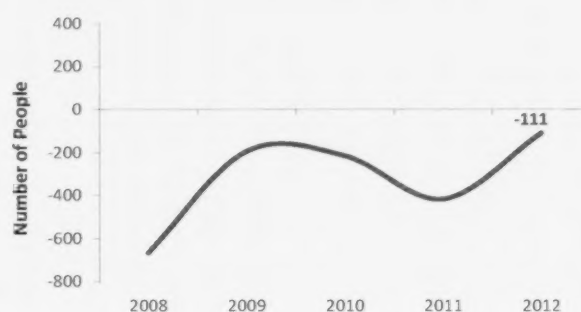
- A draft labour market strategy framework was prepared and consultations were held with stakeholder groups, other ministries and the general public. Results of the consultations influenced several labour market-related actions in the *Saskatchewan Plan for Growth*.
- The Aboriginal Business Service Network (ABSN) team developed a new employee recruitment strategy that partnered directly with First Nations and businesses involved in the mining and construction industry to provide teams of employees to fill labour shortage needs. As a result, a total of 175 individuals were impacted.

Work with other ministries and stakeholders to expand delivery of programs and services that help youth successfully transition into the labour force.

- Assistance was provided to enhance the Saskatoon Industry-Education Council's (IEC) Future Paths website, which helps high school students find career pathways linked to the local job market. Support was also provided to expand IEC career education programs to other parts of the province.
- Supported the IEC in hosting student learning events such as Skills Boot Camps, the Model Wind Turbine Competition and the Cardboard Boat Race Challenge.

## Performance Measure & Results

### Net Interprovincial Migration (youth aged 15 to 24)



Source: Ministry of the Economy

### Measure Description

Net interprovincial youth migration indicates how successful Saskatchewan is at retaining and attracting young people. If youth are engaged in the economy and have positive perceptions of opportunities in Saskatchewan, they will be more likely to stay in Saskatchewan.

In the last 40 years, there have only been five years where Saskatchewan gained more young people than it lost through interprovincial migration. Net interprovincial out-migration of 111 youth in 2012 was the best result the province has had since 1984. The last five years appear to mark the beginning of a reversal in the longstanding trend.

## Government Goal: Responsive and Responsible Government

### Strategy – ENSURE TRANSPARENCY, ACCOUNTABILITY, AND EFFICIENCY IN ALL ASPECTS OF THE AGENCY'S OPERATIONS

#### Key Actions & Results

Report on provincial economic performance including Saskatchewan's tax and regulatory environment.

- Monthly Economic Indicators Reports have been produced each month, in addition to special reports on employment by industry, the manufacturing sector, the resource sector and small business. A tax competitiveness report was updated three times through the year, corresponding with dates that tax changes typically take effect.
- ECON staff led the development of performance measures associated with objectives of the *Saskatchewan Plan for Growth*.

Publish public reports on ES's activities and accomplishments, including stewardship over public funds and progress on Board recommendations.

- The 2011-12 Annual Report and Board Progress Report were published in July 2012.

Apply Lean methodology to two internal operations to streamline program and service delivery and to identify and eliminate unnecessary processes and requirements in administrative and operating procedures. Continue to make improvements for Lean initiatives already undertaken.

- Lean initiatives were put on hold given the wind down of the Regional Enterprise division from April to May 2012, and the amalgamation into ECON shortly thereafter.

Conduct surveys of stakeholders and clients/customers to assess service performance and identify improvements that will maintain high service standards.

- The stakeholder satisfaction survey was not repeated due to the organizational changes taking place with creation of ECON.
- ECON commissioned a review of *business infSOURCE* including its relevance, impact, performance and alignment with the strategic objectives of the ministry. The recent expansion of video conference business training sessions were viewed as a much more efficient and cost-effective approach to delivering information.

In general, survey results suggest that a significant number of existing and prospective entrepreneurs have used *business infSOURCE* services and are generally highly satisfied, but more needs to be done to raise awareness of *infSOURCE* programs and services.

Continue to analyze the core business of the Agency for opportunities for streamlining, amending delivery or efficiencies.

- All business of ES was examined when rolled into ECON to see if it matched our core business.

### Strategy – IMPLEMENT THE AGENCY'S HUMAN RESOURCE STRATEGIC PLAN TO SUPPORT A HIGH PERFORMANCE CULTURE

#### Key Actions & Results

Implement workplace culture transformation initiatives.

- Culture transformation initiatives were put on hold given the wind down of the Regional Enterprise division and the amalgamation into ECON shortly thereafter. Culture transformation is a key focus for ECON and work with Executive Management Committee (EMC) to identify the desired culture of ECON is underway. Management from across ECON participated in developing ministry values statements and behaviours that support the desired culture. An action plan will be developed and approved by EMC to support the culture transformation.

Provide opportunities for strategic professional and career development opportunities.

- A Learning and Development Policy was developed that supported external and internal opportunities for skill and knowledge development. Two learning budgets were in place to address corporate level development needs, individual and divisional needs. Given the amalgamation to ECON, an examination of the professional and career development needs will be undertaken and initiatives developed to address ministry needs as well as individual division/employee needs.

Expand succession planning.

- A succession planning model was implemented at the executive and director levels. Given the amalgamation to ECON, the former ES senior management team has been placed in new positions across ECON.

# Advanced Education, Employment and Immigration

## Government Goal: Growth

### Strategy – DEVELOP AND IMPLEMENT A PROVINCIAL STRATEGY FOR FIRST NATIONS AND MÉTIS PEOPLE TO INCREASE PARTICIPATION AND SUCCESS IN ADVANCED EDUCATION AND THE LABOUR FORCE

#### Key Actions & Results

Support completion of the report of the Joint Task Force (JTF) on First Nations and Métis Education and Employment, review report and initiate response to recommendations to increase First Nations and Métis participation and success in education and the labour force.

- In 2012, the Government of Saskatchewan and the Federation of Saskatchewan Indian Nations established a three-member task force led by Chair Gary Merasty, Don Hoium and Rita Bouvier. The JTF was tasked to undertake broad public consultation with citizens across the province with a focus on First Nations and Métis people including youth, both on and off reserve. The perspectives of Métis people were represented by the Métis Nation of Saskatchewan.
- The JTF released its final report in March 2013, the *Voice, Vision and Leadership: A Place for All*, which focused on the four key areas of early childhood, pre-kindergarten to grade 12, post-secondary education and labour force attachment.
- ECON is working with other government partners to review the recommendations of the JTF and develop a comprehensive response.

In partnership with the Department of Aboriginal Affairs and Northern Development Canada and provincial tribal councils, increase labour force participation for First Nations people by supporting delivery of on-reserve active measures such as youth career planning and skills development, short-term training and partnerships with industry and public sector to develop training and employment opportunities.

- The Government of Saskatchewan continued to pursue training and employment initiatives to increase the participation of First Nations people in the labour force in collaboration with active measures partners. Provincial activity has been focused on foundational skill development, demand-driven training and

employment initiatives, and capacity building on-reserve. Provincial investments have been made in new basic education seats, skills training and apprenticeship through partners such as the Saskatchewan Indian Institute of Technologies Construction Careers, regional colleges and the Regina and Saskatoon Skills and Trades Centres.

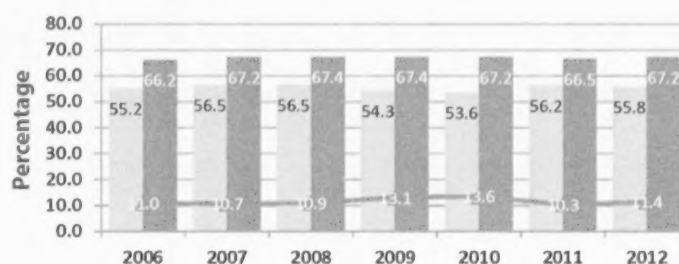
Continue implementation of the revised approach to Adult Basic Education and Skills Training programs that are community-based, focus on literacy and numeracy, and improve employment outcomes.

#### Adult Basic Education (ABE)

- In 2012-13, \$21.4 million was provided to publicly funded post-secondary institutions to deliver ABE programs that benefited approximately 7,600 adult learners, with a particular focus on First Nations and Métis people.
- Training was delivered by public institutions, including: Saskatchewan Institute of Applied Science and Technology (SIAST); regional colleges; Lakeland College; Dumont Technical Institute; and Saskatchewan Indian Institute of Technologies.
- Through the ABE grant, \$2.5 million was provided for Essential Skills for the Workplace (ESWP) programming.
- Twenty-seven programs through ABE-ESWP were delivered throughout the province, which provided approximately 545 training opportunities.

#### Performance Measure & Results

#### Employment Rate of Off-Reserve First Nations and Métis and Non-First Nations and Métis Populations Aged 15 Years and Over



Source: Source: Statistics Canada, Labour Force Survey special data tabulation.

\* Non-Aboriginal employment rate minus Aboriginal Employment Rate

## Measure Description

The *Saskatchewan Plan for Growth* identifies growing and developing Saskatchewan's labour force as a key growth objective. This includes an initiative to improve First Nations and Métis employment in Saskatchewan.

The employment rate is a measure of employment relative to the population aged 15 and older. The Aboriginal population has historically had a lower employment rate than non-Aboriginal people in Saskatchewan.

Saskatchewan's off-reserve Aboriginal population saw mixed results in the labour market in 2012. The Aboriginal working age population totalled 71,200, up 1,400 (2.0 per cent) from 2011. This large increase in the population aged 15 and older was not fully absorbed in the job market however. So, even though Aboriginal employment increased by 500 (1.3 per cent) to a record high of 39,200 in 2012, the employment rate decreased slightly from 56.2 in 2011 to 55.8 in 2012. By contrast, the non-Aboriginal employment rate was 67.8 in 2012, up from 66.5 in 2011. The gap between Aboriginal and non-Aboriginal employment rate was 11.4 per cent in 2012, up from the 10.3 per cent in 2011. Although this gap increased in 2012, one underlying reason is that more Aboriginal people are now participating in the labour force and are available for work. The participation rate for First Nations people living off-reserve, for example, increased from 57.4 per cent in 2007 to 59.6 per cent in 2012 in Saskatchewan. (Data is unavailable for people who live on-reserve.) The growing Aboriginal population and labour force remains a key source of potential workers in Saskatchewan's tight labour market.

A complete guide to the Labour Force Survey is available from Statistics Canada (71-543-GWE) with data available from Statistics Canada.

## Strategy – ENSURE A SKILLED WORKFORCE TO MEET EXISTING AND FUTURE LABOUR MARKET DEMAND

### Key Actions & Results

In partnership with Enterprise Saskatchewan (ES) and the Saskatchewan Chamber of Commerce, continue the work of the Labour Market Task Force (LMTF).

- The LMTF met five times in 2012-13 to support the development of a provincial labour market strategy. These discussions have:
  - shaped the framework for the strategy itself;
  - informed plans for stakeholder consultations that took place in the summer of 2012;
  - included a review of the results of the consultations

that have taken place with stakeholders and with other ministries;

- resulted in principles to guide labour market priorities and investments; and
- identified strategic objectives, short- and long-term outcomes, and key actions for the labour market strategy.

In partnership with ES, develop and begin implementation of a Saskatchewan Labour Market Strategy.

- Consultations began in 2012-13 toward a labour market strategy in collaboration with LMTF and involving community stakeholders and other government ministries.
- The main elements of the strategy for labour market development were released in late 2012 within the *Saskatchewan Plan for Growth*. The timeline for release of the provincial Labour Market Strategy was re-aligned to co-ordinate with the final report from the Joint Task Force on Improving Education and Employment Outcomes for First Nations and Métis people.

Nominate 4,000 immigrants under the Saskatchewan Immigrant Nominee Program (SINP) to help meet the labour market needs of employers.

- The SINP nominated 4,000 skilled immigrants (and their immediate family members) in 2012-13.

Facilitate the assessment and recognition of international qualifications to support newcomers to use their education, skills and work experience.

- ECON facilitated the recognition of foreign qualification through its partnerships with organizations that regulate occupations. ECON hosted a two-day forum on September 25 and 26, 2012 in Regina for stakeholders involved in Foreign Qualification Recognition (FQR). Participants included Saskatchewan regulatory authorities and post-secondary institutions that have been identified as key stakeholders by the regulators. Outcomes included an update on the implementation of Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications (the Framework). Information was also provided on:
  - a new licensing process map template for internationally trained professionals;
  - plans for regulator ownership of process map;
  - details on an Expression of Interest template; and
  - how to apply for funding of short-term FQR.

- Activities in 2012-13 included projects with the College of Midwives, the College of Dentistry, the Saskatchewan Association of Medical Radiation Technologists, the Association of Professional Engineers and Geoscientists of Saskatchewan, the International Medical Graduate program. The new Immigrant Access Fund was also launched in Saskatchewan to deliver microloans to assist skilled immigrants in qualifying for Canadian credentials.

Educate employers and inform and further protect newcomers about their employment-related rights and responsibilities.

- Bill 83, *The Foreign Worker Recruitment and Immigration Services Act*, was introduced into the legislature on December 3, 2013. The legislation will provide protection for foreign nationals in the process being recruited to work in or immigrating to Saskatchewan by regulating foreign worker recruiters, immigration consultants and employers who hire foreign workers.
- The Program Integrity Unit (PIIU) received 47 new program integrity cases in 2012-13 and completed reviews of 21 of these cases with 26 in progress at the end of the year.
- The PIIU delivered five presentations in four communities in conjunction with Labour Relations and Workplace Safety and Occupational Health and Safety. These presentations are designed to:
  - increase awareness of rights and responsibilities of employers and foreign workers to ensure better immigration outcomes and retention of the workers in the province;
  - increase public awareness and understanding of the role of the PIIU and ensure that PIIU's contact information is known across the province; and
  - improve relationships with stakeholders such as third party representatives and community based organizations and provide information support and advice to assist them in serving immigrants and Temporary Foreign Workers.
- The SINP Employer Unit facilitated more than 23 information sessions for employers and industry associations to educate and inform on the employer role in recruitment and retention of foreign skilled workers. The Employer Engagement Unit also introduced a major upgrade to the SINP employer portal online processing system and managed a database of more than 2,400 employers to verify and validate job vacancies. The Employer Engagement Unit introduced additional quality assurance measures to assist in the job verification process.
- The SINP Employer Engagement Unit managed a labour recruitment mission to Ireland and the

United Kingdom supporting 13 employers who were successful in attracting more than 90 foreign workers to Saskatchewan; supported the Assemblée Communautaire Fransaskoise through a partnership to promote Saskatchewan at the Destination Canada events hosted by the Embassy of Canada in Paris; and engaged in a partnership with the International Organization for Migration, the Government of Tunisia and the Embassy of Canada in Tunisia to launch a Labour Market Opinion-exempt pilot project for skilled workers from Tunisia.

Provide training programs to meet the labour market needs of employers across various sectors of the provincial economy, including but not limited to mining, health, childcare, construction, and oil and gas.

- Saskatchewan became provincial co-chair of the Labour Market Information Working Group under the Forum of Labour Market Ministers (FLMM) over the next three years. This collaboration with the federal government and other provinces and territories reinforces Saskatchewan's leading role in shaping labour market programs investments.
- A provincial labour market needs assessment prepared a series of standardized reports on regional labour markets in Saskatchewan. These reports will inform labour market planning and investments in the province, and support the co-ordination of programs and services delivered by ECON and its partners.
- Skills Training Allocation (STA)
  - In 2012-13, \$13.8 million was provided to public training institutions to deliver accredited training programs aimed at meeting the labour market needs of employers across various sectors of the economy.
  - ECON anticipates that its STA investment will result in approximately 240 programs with over 2,920 training opportunities for unemployed and underemployed individuals for the 2012-13 academic year, which ends June 30, 2013.
- Targeted Initiative for Older Workers (TIOU)
  - In August 2012, the federal and provincial governments renewed the TIOU until March 31, 2014.
  - In 2012-13, \$630,300 was provided through the TIOU program to various service providers to fund training opportunities for over 80 participants, primarily between the ages of 55 to 64, to help them reintegrate into the labour market. TIOU training opportunities will be available until March 31, 2014.

- Early Childhood Education (ECE)
  - The ECE Allocation supports the training needs of childcare workers in communities where new child care spaces have been approved.
  - In 2012-13, \$1.1 million was provided for full- and part-time ECE programs delivered in over 15 different training locations with an estimated enrolment of 627 students.
  - These figures include funding through both the Skills Training Allocation and the ECE Allocation.
- Apprenticeship
  - In 2012-13, \$19.7 million was provided to purchase 6,100 apprenticeship training seats.
  - In June 2012, one-time funding of \$1.8 million was provided to the Saskatchewan Apprenticeship and Trade Certification Commission in part to purchase an additional 200 seats.
  - In 2012-13, \$2.6 million was provided to support apprentices who must study away from home (\$2.1 million through the Apprenticeship Training Allowance and \$500,000 through the Skills Training Benefit).
  - Registered apprentices increased from 8,130 at June 30, 2008, to 9,724 at June 30, 2012, an increase of 1,594 apprentices in four years. The budgeted number of apprentices accessing technical training increased from 3,797 in 2007-08 to 6,100 in 2012-13, an increase of 2,303 apprentices.

Provide work readiness and life skills programs for those with barriers to employment and assist individuals in achieving sustainable employment.

- ECON invested \$22.3 million in 2012-13 for programs for unemployed individuals with little or no work experience, low literacy levels and limited knowledge of the world of work. During the year, 7,349 social assistance clients were referred for interventions to assist them to build employment skills. Over 60 community-based organizations around the province received funding for work readiness and life skills programs that served 14,329 individuals.

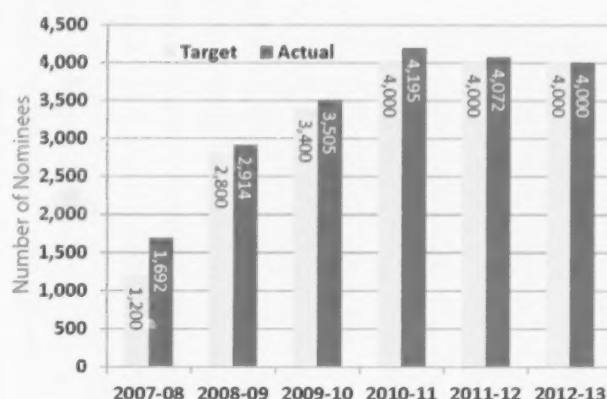
Actively support the ministry's obligations under the New West Partnership (NWP).

- ECON is an active participant in the development a common labour force strategy for the New West provinces based on our shared interests in:
  - Employment Insurance reform;

- Collaboration on post-secondary education and skills development (led by the Ministry of Advanced Education);
- Common approach on increasing immigration levels; and
- Aboriginal education and employment.

## Performance Measure & Results

### Number of Saskatchewan Immigrant Nominee Program Nominees



Source: Ministry of the Economy

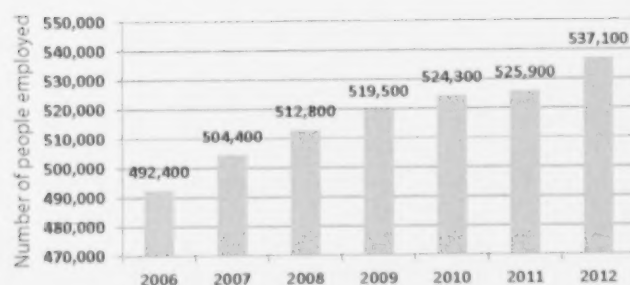
### Measure Description

The measure illustrates the level of activity in the Saskatchewan Immigrant Nominee Program (SINP). The SINP attracts skilled workers, entrepreneurs and their families by linking them with employment and economic development opportunities and, in doing so, supports the *Saskatchewan Plan for Growth*. There are multiple factors that influence the number of nominations under the SINP and as a result impact immigration rates to the province. These factors include availability of jobs, size of immigrant cultural group and awareness of the SINP. The increase in SINP nominations since 2005-06 is due in part to strong labour market demand, the expansion of SINP categories and increased use of the SINP by Saskatchewan employers.

The SINP met its target of 4,000 nominations for the 2012-13 fiscal year. Each nomination represents a principal applicant, meaning that 4,000 nominations is equivalent to approximately 12,000 new residents to the province when nominees' family members are included.

SINP data is collected by the ministry. The ministry has a moderate level of influence on this measure as it is in part dependent on the involvement of the federal government and co-operation of participating employers.

## Employment in Saskatchewan



Source: Statistics Canada, Labour Force Survey CANSIM 282-0002

### Measure Description

The *Saskatchewan Plan for Growth* identifies a key target of 60,000 more workers in Saskatchewan by 2020 to ensure sustained economic growth.

Employment is a key outcome of government's economic and labour market development activities. In labour market development, these activities range from primary, secondary and post-secondary education, to adult training and employment support services. Continued progress in labour market development is a shared responsibility involving co-ordination between industry, employers, labour unions, post-secondary institutions, other levels of government and workers. Employment growth reflects the success of this co-ordinated approach.

The above measure reflects total annual employment in Saskatchewan. It is the average number of employed persons from the Labour Force Survey (LFS), which is conducted monthly by Statistics Canada. The LFS in Saskatchewan consists of a rotating sample of nearly 3,900 households. For reasons of jurisdiction the LFS is only conducted with households living off-reserve.

For 2012, Saskatchewan reported all-time highs for total employment (537,100), full-time employment (443,800) and Aboriginal employment (39,700). Saskatchewan's employment growth rate was 2.1 per cent, the third-highest among the provinces behind Alberta (2.7 per cent) and Newfoundland and Labrador (2.3 per cent).

A complete guide to the Labour Force Survey is available from Statistics Canada (71-543-GWE) with data available on CANSIM 282-0002.

## Government Goal: Quality of Life

### Strategy – SUPPORT INCREASED ATTRACTION AND RETENTION OF NEWCOMERS TO SASKATCHEWAN

#### Key Actions & Results

Continue delivery of the Immigration Strategy including:

Supporting Stage 1 English to assist newcomers to develop basic, functional language skills;

- ECON funded 16 organizations to deliver language training in over 30 communities. In 2012-13, 945 individuals participated in Stage 1 English programming. Of these, 580 individuals were assisted through a regional college, while 365 participated through community-based organizations.

Supporting the Regional Newcomer Gateway Program to provide regional settlement and integration information through referral centres located in 11 Saskatchewan communities.

- During 2012-13, 7,920 individuals received services through the Gateways. In addition, 634 individuals received a language assessment while 482 individuals accessed translation services. Provincial Settlement Advisors assisted over 3,000 individuals in need of more in-depth services to effectively settle.

Building capacity for service providers to deliver a broader array of settlement programs to a more diverse immigrant population and supporting communities to integrate new immigrants.

- Completed a project to develop performance indicators for settlement services and began work to incorporate these measures into new settlement initiatives.
- Saskatchewan's Settlement and Integration Service Delivery Model is designed to respond to challenges in addressing immigrants' settlement and integration service needs in the context of increased immigration to the province. ECON is strongly committed to the successful settlement and integration of newcomers, including 4,000 nominees and their families, who arrive each year through the Saskatchewan nominee program. The current budget provides almost \$6.8 million to provide settlement and integration services and supports for newcomers.

- Saskatchewan's retention rate of provincial nominees is 86 per cent, which is above the national average. The ministry will continue to work with the federal government, other provincial ministries and our community partners to ensure a co-ordinated approach to retaining newcomers here.

## **Government Goal: Responsive and Responsible Government**

### **Strategy – IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF THE MINISTRY'S PROGRAMS, SERVICES, AND SYSTEMS TO ENSURE THE BEST USE OF PUBLIC FUNDS**

#### **Key Actions & Results**

In partnership with Human Resources and Skills Development Canada (HRSDC), complete the Labour Market Agreement Evaluation.

- Collaborated with HRSDC on the design of a new evaluation of LMDA programs and services using tax filer data to measure long-term outcomes and the impact of LMDA employment benefits and service measures

Evaluate the success of the Saskatchewan Immigrant Nominee Program to build upon its strengths.

- The Saskatchewan Immigrant Nominee Program (SINP) hired an external contractor to evaluate the SINP in 2012. The final report will be released in 2013.

## **First Nations and Métis Relations**

### **Government Goal: Growth**

#### **Strategy – ADVANCE ECONOMIC DEVELOPMENT FOR FIRST NATIONS, MÉTIS AND NORTHERN PEOPLE**

#### **Key Actions & Results**

Work with other ministries and agencies to support the development of strategic policy to enhance the participation of First Nations, Métis and Northerners in provincial economic growth.

- Worked with various Ministry branches and Northern

stakeholders, the majority of whom are Aboriginal, to complete an assessment of the mineral sector value-chain in order to develop an overview of the industry and identify gaps to further engage Northerners in the economy.

- Engaged consultants and worked on the development of a Northern Mining Supply Chain Strategy that will identify challenges, business needs and future economic generators within the sector, and make recommendations to improve competitiveness. Seventy-five per cent of the strategy was completed.
- Participated on the ECON Transition Team to enable the best approach to co-ordinating, developing, promoting and implementing policies and programs to increase First Nations, Métis and Northerners' participation in the economy. Established the First Nations, Métis, and Northern Economic Development Branch, identified its core lines of business, and began research to ensure an effective action plan and identify performance measures.
- Provided input in the early stages of the Plan for Growth for consideration of Aboriginal business and economic development content.

Assist northern businesses and non-profit organizations by providing Northern Development Fund (NDF) loans and grants.

- Eight NDF loans were approved for a total of \$51,000, with an average loan size of \$6,400. All loans were for commercial fishing.
- Twenty-five NDF grants were disbursed, for a total of \$162,000, with an average grant size of \$6,500: \$106,000 supported marketing, promotion, research and development; \$45,000 supported business skills and organizational development; and \$11,000 supported youth entrepreneurship.
- Finalized the review of the NDF Primary Production Loan Program. The program was terminated effective March 31, 2013, due to a decline in usage and poor loan portfolio performance.
- Promoted the NDF Grant Program by assisting in completing applications and conducting follow-up to ensure required grant results reporting was submitted by applicants. The program remains accessible by individuals, businesses, First Nations Bands, Métis and other Northern organizations to support the creation or expansion of businesses in the North.

Support entrepreneurship, business development and community economic development in the North.

- Through Business Development Officers located in La Ronge and Buffalo Narrows, provided business advisory and path-finding services to clients to

support entrepreneurship, business development and community economic development in the North.

Explore potential initiatives to support community planning, collaboration and project prioritizations.

- Provided leadership and advice to the Primrose Lake Economic Development Corporation (PLEDCO). Successes include distribution of annual funding to the four communities of Jans Bay, Cole Bay, Île-à-la-Crosse, and Beauval for community development, scholarships and infrastructure.
- Provided leadership and direction in relation to the long-term resource agreement between the Government of Saskatchewan and North West Community Wood Products Ltd. Provided insight into economic development planning and initiatives, for the development of a 2013-14 work plan.
- Supported the Northern Education Committee by facilitating meetings and responding to committee members as appropriate.

## **Strategy – STRENGTHEN THE INVESTMENT FRAMEWORK TO ENCOURAGE AND SUPPORT NORTHERN INDUSTRY**

### ***Key Actions & Results***

Build capacity and foster collaborative relationships and partnering among Northern stakeholders.

- Provided support for the 2012 Northern Economic Summit, held in La Ronge in November 2012, through participation on the Summit organizing committee. The summit allowed Northerners to collaborate and engage in dialogue around Northern issues and opportunities. As a result, Northerners are exploring the development of a new Northern economic development entity.

Continue to conduct analysis of the Northern economy to benchmark progress and identify opportunities for growth.

- Provided input for the annual update of the socio-economic analysis and industry impact assessment of the three Northern economic regions. The analysis provided an indicator framework to track the growth or decline of specific socio-economic indicators that can be benchmarked annually. This information is now available at [www.northerneconomicssummit.com](http://www.northerneconomicssummit.com).

Continue sponsorship and participation in the Conference Board of Canada's Centre for the North project, to support its national research initiatives in the project's three priority areas: (1) thriving communities; (2) economic development; and (3) sovereignty and security.

- Four published reports provided research and analysis on a range of topics: The Future of Mining in Canada's North; Framing Sustainable Options for Housing in Canada's North; Understanding the Value, Challenges, and Opportunities of Engaging Métis, Inuit, and First Nations Workers; and Getting It Right – Assessing and Building Resilience in Canada's North. This information was disseminated and utilized by Northerners and government officials for economic development planning purposes.

Explore mechanisms that support business and industry competitiveness to fulfill the development of the strong economy pillar and the Northern Action Plan.

- Facilitated the development and delivery of strategic tools and training to support communities and municipalities to champion economic development in the North. Examples include:
  - Finalized the work with Keewatin Career Development Corporation to expand the Northern Business Directory to include profiles of all Northern communities and to categorize all businesses by the North American Industry Classification System. The directory is at [www.northernbusinessdirectory.ca](http://www.northernbusinessdirectory.ca).
  - Made progress on further enhancements to the Northern Business Directory. Enhancements include updating the contact information for the more than 800 Northern businesses that comprise the directory, linking Northern community profiles with business listings, initial research on enhancements related to the Northern Mining Supply Chain Strategy, and researching options to transition the directory to a self-sustaining business model.

## 2012 - 13 Financial Overview

### Ministry of the Economy

#### 2012-13 Budget vs. Actual Expense Variance Report

#### by Subvote and Subprogram

#### Summary of Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the ministry of the Economy. Variance explanations are provided for individual variances that are greater than \$100,000.

(in thousands of dollars)					
	Actual Expenditures 2011-12	Restated Estimate 2012-13	Actual Expenditures 2012-13	Variance Over/(Under) 2012-13	
Subvote/Subprogram					
EC01 Central Management and Services					
Minister's Salary (Statutory)	\$ 45	\$ 47	\$ 86	\$ 39	
Executive Management	590	633	1,172	539	2
Central Services	6,408	20,100	22,427	2,327	2
Accommodation Services	3,487	7,222	7,595	373	2
Surface Rights Arbitration Board	135	165	148	(17)	
EC01 Central Management and Services Total	\$ 10,665	\$ 28,167	\$ 31,428	\$ 3,261	
EC18 Forestry Development Total					
	\$ 2,432	-	-	-	
EC06 Minerals, Lands and Resource Policy					
Mineral and Energy Policy	\$ 2,312	\$ 1,684	\$ 1,577	\$ (107)	3
Green Initiatives - Energy	1,200	-	-	-	
Energy Sector Initiatives	454	2,151	343	(1,808)	4
Petroleum Technology Research Centre (PTRC)	1,250	1,000	2,250	1,250	5
Lands and Mineral Tenure	1,459	1,684	1,624	(60)	
Saskatchewan Geological Survey	4,065	4,390	4,210	(180)	3
Forestry Development	-	992	597	(395)	3
EC06 Minerals, Lands and Policy Total	\$ 10,740	\$ 1,901	\$ 10,601	\$ (1,300)	
EC05 Petroleum and Natural Gas Total					
	\$ 9,858	\$ 9,298	\$ 9,767	\$ 469	6
EC04 Revenue and Planning					
Operational Support	\$ 2,886	\$ 2,994	\$ 3,812	\$ 818	2
Small Business Loans Association - Concessionary Allowance	-	267	125	(142)	7

Small Business Loans Association - Loan Loss Provision	-	480	(58)	(538)	8
Ethanol Fuel Tax Rebate	-	24,000	24,330	330	9
Renewable Diesel Program	-	2,600	891	(1,709)	10
Northern Development Fund Grant Program	-	205	328	123	11
EC04 Revenue and Planning Total	\$ 2,886	\$ 30,546	\$ 29,428	\$ (1,118)	
EC12 Economic Development					
Operational Support	-	\$ 3,315	\$ 6,555	\$ 3,240	2
Saskatchewan and Trade Export Partnership	-	-	2,577	2,577	2
EC12 Economic Development Total	-	\$ 3,315	\$ 9,132	\$ 5,817	
EC14 Tourism Saskatchewan Total					
	-	\$ 16,503	\$ 16,457	\$ (46)	
EC13 Labour Market Development					
Operational Support	-	\$ 16,994	\$ 17,099	\$ 105	2
Work Readiness - Youth and Skills Training	-	20,857	21,088	231	12
Work Readiness - Adult Basic Education		21,428	21,223	(205)	13
Work Readiness - Employment Development		23,281	21,551	(1,730)	14
Apprenticeship and Trade Certification Commission		19,682	21,446	1,764	15
Employability Assistance for People with Disabilities		10,996	11,174	178	16
Provincial Training Allowance (PTA)		29,193	25,393	(3,800)	17
Skills Training Benefits (STB)		8,657	6,758	(1,899)	18
Apprenticeship Training Allowance (ATA)	-	2,126	2,999	873	19
Immigration	-	7,630	8,049	419	20
EC13 Labour Market Development Total	-	\$ 160,844	\$ 156,780	\$ (4,064)	
EC19 Enterprise Saskatchewan Total					
	-	\$ 33,063	\$ 16,046	\$ (17,017)	1
Total Appropriation	\$ 36,581	\$ 293,637	\$ 279,639	\$ (13,998)	
Capital Asset Acquisition	\$ (10,994)	\$ (7,953)	\$ (6,856)	\$ 1,097	21
Capital Asset Amortization	213	2,830	164	(2,666)	22
Total Expense	\$ 25,800	\$ 288,514	\$ 272,947	\$ (15,567)	

### Variance Explanations (Amounts greater than \$100K):

1. \$16.0 million transferred to Vote 513 for Enterprise Saskatchewan's operations and wind down. The remainder of funding was transferred within Executive Government to reflect the government re-organization (including amounts transferred into the Ministries of the Economy (ECON) and Finance respectively.) Spending in subvote for the amounts transferred into ECON are related to Note 2.
2. Largely reflects the reorganization of Enterprise Saskatchewan into the ministry of the Economy.
3. General salary and operating savings.
4. Under expenditure to offset over expenditure in PTRC and expenditure restraint savings.
5. Increase in grant funding for PTRC.

6. Increase to fund additional field work and resource shortfalls (i.e. overtime).
7. Savings due to a decrease in the five-year borrowing rate.
8. Savings due to a decrease in loan applications.
9. Increase in utilization of the program due to production being slightly higher than anticipated.
10. Lower than anticipated utilization of the program due to producer being at less than full capacity.
11. Increase in utilization of the program.
12. General program under utilization; wind down of projects and end of federal programming; offset by transfers to SIAST for the nursing transition.
13. Decrease in program utilization.
14. Under expenditure to offset Immigration Settlement including portal funding.
15. Funding to maintain training seats.
16. Increase in utilization based on program demand.
17. Expenditure restraints measures and savings as a result the changing demographic of the student population.
18. Under expenditure offsets ATA over expenditure.
19. Increase for expected training seats, increase in rates offset by under expenditure in STB.
20. Higher than anticipated utilization of the program.
21. Less than anticipated project costs for the Process Renewal and Infrastructure Management Enhancement (PRIME) and Geological Core Laboratory Warehouse Expansion Capital Projects.
22. Delay in PRIME project resulting than less than anticipated amortization costs.

## Summary of Revenues

The ministry collects revenues, on behalf of the government, from the production and sale of Saskatchewan's energy and mineral resources, the sale of Crown mineral rights, Enterprise Saskatchewan, Employment and Immigration, First Nations and Métis Relations and other associated taxes, services and fees. All revenue collected is deposited in the General Revenue Fund. A summary of the ministry's 2012-13 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than \$3.0 million.

The ministry's actual revenue for 2012-13 was \$1.989 billion, a decrease of \$781.4 million below the 2012-13 budget estimates.

	(In thousands of dollars)			
	2012 -13 Budget	2012 -13 Actual	2012 -13 Variance (Over/Under)	
Non-Renewable Resource Revenue				
Oil	\$1,600,900	\$1,283,877	(\$317,023)	<sup>1</sup>
Crown Land Sales	220,000	89,059	(130,941)	<sup>2</sup>
Natural Gas	12,500	11,354	(1,146)	
Potash	705,200	364,490	(340,710)	<sup>3</sup>
Other Minerals	123,800	139,412	15,612	<sup>4</sup>
Total Non-Renewable Resources	\$2,662,400	\$1,888,192	(\$774,208)	
Other Own-Source Revenue				
Mineral Rights Tax	\$8,000	\$8,508	\$508	
Sales, Services and Service Fees	36,182	20,427	(15,755)	<sup>5</sup>
Interest and Penalties	0	5	5	
Other Miscellaneous Revenue	76	1	(75)	
Total Other Own Source Revenue	\$44,258	\$28,941	(\$15,317)	
Total Revenue Energy and Resources	\$2,706,658	\$1,917,133	(\$789,525)	
Employment and Immigration				
Other Revenue	\$1,959	\$5,458	\$3,499	<sup>6</sup>
Transfers from Federal Government	62,111	\$66,114	\$4,003	<sup>6</sup>
Total Revenue Employment and Immigration	\$64,070	\$71,572	\$7,502	
Enterprise Saskatchewan	\$504	\$1,154	\$650	
First Nations and Metis Relations	\$85	\$53	(\$32)	
Total Revenue Ministry of the Economy	\$2,771,317	\$1,989,912	(\$781,405)	

## Explanation of Major Variances:

1. Decreased oil revenues of \$317.0 million was due to an \$8.43US/bbl decrease in the 2012-13 West Texas Intermediate (WTI) price and an increase of 7.3 per cent points in the 2012-13 light-heavy differential percentage.
2. Decreased bonus bid revenue of \$130.9 million is due to lower-than-expected sales primarily due to an industry reallocation of capital towards drilling, for lease continuance and development purposes.
3. Decreased potash revenues of \$340.7 million, primarily in Crown royalty and profit tax are due to decreases in production, sales and price. In addition, decreases are also due to a \$31.97/tonne reduction in the 2012 price and a decrease in the 2012 sales volumes of 1,496/K tonnes.
4. The overall increase from budgeted to actual of \$15.6 million is attributed to the following factors:
  - i. increased uranium revenues of \$10.6 million, primarily in tiered royalties due to higher sales volumes (388,000/kilogram more than budget estimate) and price increases (\$3.86/kilogram more than the budget estimate);
  - ii. coal experienced higher royalty revenues of \$3.6 million due to an increase in prices by \$2.26 per tonne; and
  - iii. other revenues experienced a \$1.4 million increase of actuals over budget primarily due to higher metallic revenues attributed to the implementation of the MARS system.
5. Revenue for real property sales was \$15.7 million lower than forecasted due to a decrease in the oil and gas production on Federal Treaty Land Entitlement properties.
6. An increase of \$7.5 million in actual revenue from the Employment and Immigration division primarily due to unexpected increases in casual revenue, federal/provincial cost sharing programs and Labour Market Development Agreements.

## **For More Information**

Ministry of the Economy

Marketing & Communications

300-2103 11th Avenue

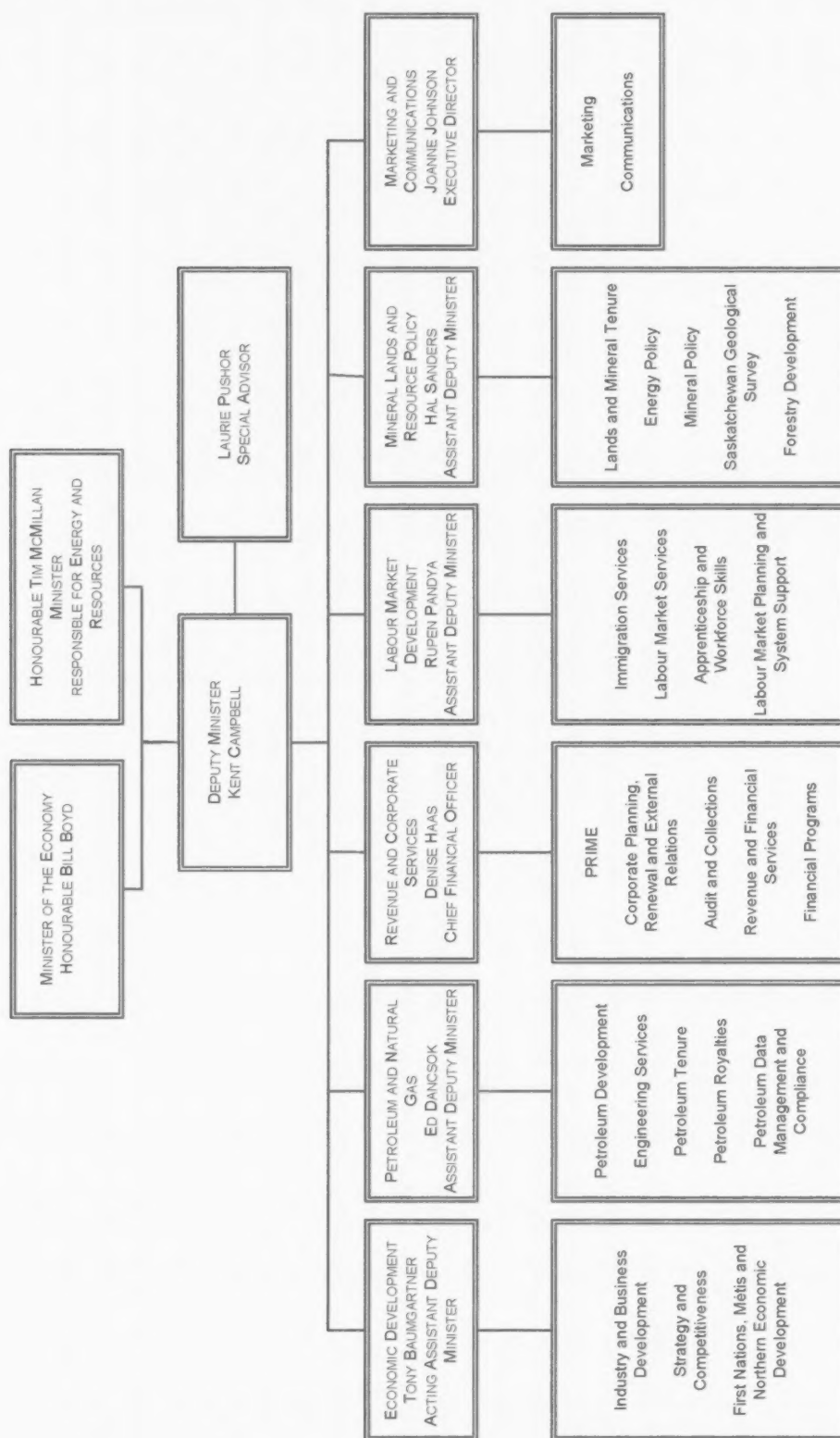
Regina, SK S4P 3Z8

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## Appendix A

### Internal Organization Chart as of March 31, 2013



## Appendix B

### Legislative Responsibilities

THE APPRENTICESHIP AND TRADE CERTIFICATION ACT, 1999
<i>The Apprenticeship and Trade Certification Commission Regulations</i>
THE CROWN MINERALS ACT
<ul style="list-style-type: none"> <li>Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Helium and Associated Gases Regulations, 1964</i>
<i>The Oil Shale Regulations, 1964</i>
<i>The Bayhurst Viking Voluntary Gas Unit Regulations</i>
<i>The Petroleum and Natural Gas Regulations, 1969</i>
<i>The Coal Disposition Regulations, 1988</i>
<i>The Crown Minerals Transfer Regulations, 2005</i>
<i>The Crown Oil and Gas Royalty Regulations, 2012</i>
<i>The Lease of Spaces Regulations</i>
<i>The Mineral Disposition Regulations, 1986</i>
<i>The Mineral Trust Revestiture Regulations</i>
<i>The Primrose Lake Air Weapons Range Permit Regulations, 1995</i>
<i>The Totnes Viking Gas Storage Royalty Regulations</i>
<i>The Weyburn Unit CO<sub>2</sub> Crown Oil Royalty Regulations</i>
THE DEPARTMENT OF AGRICULTURE, FOOD AND RURAL REVITALIZATION ACT
Only with respect to:
<ul style="list-style-type: none"> <li>Sections 7 and 7.1 2—jointly assigned to the Minister of the Economy and the Minister of Agriculture</li> <li>Section 9.2</li> </ul>
[NO LONGER USED]
THE DEPARTMENT OF RURAL DEVELOPMENT ACT
<ul style="list-style-type: none"> <li>Jointly assigned to the Minister of the Economy and the Minister of Government Relations</li> <li>Clauses 7(a),(d) and (e) and 9(e) jointly assigned to the Minister of Agriculture, the Minister of Government Relations and the Minister of the Economy</li> </ul>
[NO LONGER USED]
THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT
<ul style="list-style-type: none"> <li>Clauses 8(a) and (b); 9(1)(d) and (e) jointly assigned to various Ministers</li> <li>Except clauses 8(c) and 9(1)(h) and subsection 9(3)—assigned to Minister of Central Services</li> </ul>
<i>The Northern Economic Development Regulations</i>
<i>The Small Business Loans Association Program Regulations</i>
THE EDUCATION ACT, 1995
Only with respect to:
<ul style="list-style-type: none"> <li>Subsection 3(1) which is jointly assigned to the Minister of Advanced Education, the Minister of Education and the Minister of the Economy</li> </ul>
THE ENERGY AND MINES ACT
<i>The Mineral Exploration Incentive Regulations</i>
THE ENTERPRISE SASKATCHEWAN ACT
<i>The Enterprise Saskatchewan Regulations</i>
THE ETHANOL FUEL ACT
<i>The Ethanol Fuel (General) Regulations</i>

THE FINANCIAL ADMINISTRATION ACT, 1993
Only with respect to:
<ul style="list-style-type: none"> <li>• <i>The Petroleum Research Incentive Regulations</i> which are jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> <li>• Section 24 which is jointly assigned to the Minister of the Economy, the Minister Responsible for Energy and Resources and the Minister of Finance as it relates to <i>the Petroleum Research Incentive Regulations</i></li> </ul>
<i>The Petroleum Research Incentive Regulations</i>
THE FOREST RESOURCES MANAGEMENT ACT
Only with respect to:
<ul style="list-style-type: none"> <li>• Sections 5, 6 and 7 which are jointly assigned to the Minister of the Economy, the Minister Responsible for Energy and Resources and the Minister of Environment</li> </ul>
THE FREEHOLD OIL AND GAS PRODUCTION TAX ACT, 2010
<ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Freehold Oil and Gas Production Tax Regulations, 2012</i>
<i>The Recovered Crude Oil Tax Regulations, 2012</i>
<i>The Weyburn Unit CO2 Freehold Oil Production Tax Regulations</i>
<i>The Totnes Viking Gas Storage Freehold Production Tax Regulations</i>
THE GOVERNMENT ORGANIZATION ACT
<i>The Employment Program Regulations</i>
<i>The Ethanol Fuel (Grants) Regulations</i>
<i>The Ministry of the Economy Regulations</i>
<i>The Skills Training Benefit Regulations</i> (also pursuant to <i>The Human Resources, Labour and Employment Act</i> )
<i>The Training Allowance Regulations</i>
THE HUMAN RESOURCES, LABOUR AND EMPLOYMENT ACT
Only with respect to:
<ul style="list-style-type: none"> <li>• Subsection 4(2) and section 4.01</li> </ul>
[Minister of the Economy]
<i>The Skills Training Benefit Regulations</i> (also pursuant to <i>The Government Organization Act</i> )
THE INDIAN AND NATIVE AFFAIRS ACT
Only with respect to:
<ul style="list-style-type: none"> <li>• Clause 7(b) which is jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs</li> </ul>
THE INNOVATION SASKATCHEWAN ACT
THE LABOUR-SPONSORED VENTURE CAPITAL CORPORATIONS ACT
<i>The Labour-sponsored Venture Capital Corporations Regulations</i>
THE MINERAL RESOURCES ACT, 1985
<ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Alkali Mining Regulations</i>
<i>The Delayed Payment Charge Regulations, 1970</i>
<i>The Mineral Exploration Tax Credit Regulations</i>
<i>The Quarrying Regulations, 1957</i>
<i>Saskatchewan Regulation 270/69</i> [General Regulations (Tailings Disposal Area) under <i>The Mineral Resources Act</i> ]
<i>The Subsurface Mineral Regulations, 1960</i> [under <i>The Mineral Resources Act, 1959</i> ]
THE MINERAL TAXATION ACT, 1983
<ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Freehold Coal Production Tax Regulations</i>
<i>The Mineral Rights Tax Regulations, 1998</i>
<i>The Potash Production Tax Regulations</i>

<i>The Sodium Chloride Production Tax Regulations</i>
THE MULTICULTURALISM ACT Only with respect to: <ul style="list-style-type: none"> <li>• Clauses 4(g) and (h) which are jointly assigned to the Minister of the Economy and the Minister of Parks, Culture and Sport</li> </ul>
THE NATURAL RESOURCES ACT Only with respect to: <ul style="list-style-type: none"> <li>• <i>The Commercial Fishing Production Incentive Regulations</i></li> <li>• Clauses 4(1)(g) and 23(b) to (d) as those provisions relate to <i>the Commercial Fishing Production Incentive Regulations</i></li> </ul>
<i>The Commercial Fishing Production Incentive Regulations [under The Renewable Resources, Recreation and Culture Act]</i>
THE NORTHERN AFFAIRS ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for First Nations, Métis and Northern Affairs</li> </ul>
THE NORTHERN SASKATCHEWAN ECONOMIC DEVELOPMENT ACT
THE OIL AND GAS CONSERVATION ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Oil and Gas Conservation Regulations, 2012</i>
<i>The Petroleum Registry and Electronic Documents Regulations</i>
THE PIPELINES ACT, 1998 <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Pipelines Regulations, 2000</i>
THE POST-SECONDARY EDUCATION AND SKILLS TRAINING ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister of Advanced Education, except section 5, clauses 15(2)(a), (c), (d), (e), (i) and (j) and section 17 which are jointly assigned to the Minister of the Economy, the Minister of Advanced Education and the Minister of Education</li> <li>• Except <i>The Training Program Regulations</i> which are jointly assigned to the Minister of the Economy and the Minister of Education, but with respect to the Minister of Education, only as these regulations relate to the literacy programs</li> </ul>
<i>The Training Programs Regulations</i>
THE RECLAIMED INDUSTRIAL SITES ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Reclaimed Industrial Sites Regulations</i>
THE RENEWABLE DIESEL ACT
<i>The Renewable Diesel Regulations</i>
THE RURAL DEVELOPMENT ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister of Government Relations</li> </ul>
THE SASKATCHEWAN HEALTH RESEARCH FOUNDATION ACT Only with respect to: <ul style="list-style-type: none"> <li>• Sections 5, 6, 7 and 20 as they relate to innovation and research, which are jointly assigned to the Minister of the Economy and the Minister of Health</li> </ul>
[Innovation Saskatchewan]
THE SURFACE RIGHTS ACQUISITION AND COMPENSATION ACT <ul style="list-style-type: none"> <li>• Jointly assigned to the Minister of the Economy and the Minister Responsible for Energy and Resources</li> </ul>
<i>The Surface Rights Acquisition and Compensation Regulations</i>
THE TOURISM SASKATCHEWAN ACT [Minister Responsible for Tourism Saskatchewan]

## Appendix C

### Ministry of the Economy Offices

Division/Branch	Building Name	Address	Community
Northern Economic Development	McMillen Building	1321 Pederson Ave	Buffalo Narrows
Labour Market Services	Provincial Office Building	1302 3rd St	Estevan
Petroleum and Natural Gas	Provincial Office Building	1302 3rd St	Estevan
Labour Market Services	McGinn Building	180 B Broadway St E	Fort Qu Appelle
Labour Market Services	Carlton Trail Regional College	623 7th St	Humboldt
Labour Market Services	School and Hospital	Lajeunesse Ave	Ile a la Crosse
Labour Market Services	Rural Service Centre	125 1st Ave E	Kindersley
Petroleum and Natural Gas	Wellbelove Building POB	113 2nd Ave E	Kindersley
Labour Market Services	Mistasinihk Place	1328 La Ronge Ave	La Ronge
Northern Economic Development	Mistasinihk Place	1328 La Ronge Ave	La Ronge
Mineral, Lands and Resource Policy Division	Geological Laboratory	1310 La Ronge Ave	La Ronge
Labour Market Services	Investors Building	4102 70th Ave	Lloydminster
Petroleum and Natural Gas	Provincial Office Building	4815 50th St	Lloydminster
Labour Market Services	Clearwater Ventures Building	204 1st St E	Meadow Lake
Labour Market Services	Cumberland Regional College	400 Burns Ave E	Melfort
Labour Market Services	Federal Building (CanSask Centre)	61 Ross St W	Moose Jaw
Labour Market Services	McNevin Building	210 1st St E	Nipawin
Labour Market Services	Territorial Place Mall	9800 Territorial Drive	North Battleford
Labour Market Services	Government of Canada Building	1288 Central Ave	Prince Albert
Forestry Branch	Forest Centre	1061 Central Ave	Prince Albert
Labour Market Services	Regina Inn Mall (CanSask Centre)	1911 Broad St	Regina
Labour Market Development Division	Grenfell Tower	1945 Hamilton St	Regina
Mineral, Lands and Resource Policy Division	Geological Core Laboratory	201 Dewdney Ave E	Regina

PNG, MLRP, RCS Divisions	Affinity Building	2101 Scarth St	Regina
Audit and Collections	Palliser Square	2151 Scarth St	Regina
DMO, RCS, MLRP, ED Divisions	Bank of Montreal Building	2103 11th Ave	Regina
Labour Market Services	CanSask Centre	225 1st Ave N	Saskatoon
Immigration	Vecima Centre (old post office)	202 4th Ave N	Saskatoon
Economic Development Division	Enterprise Centre	345 3rd Ave S	Saskatoon
Economic Development Division	Galleria Building East 6	15 Innovation Blvd	Saskatoon
Labour Market Services	El Wood Building	350 Cheadle St W	Swift Current
Petroleum and Natural Gas	El Wood Building	350 Cheadle St W	Swift Current
Labour Market Services	J Auburn Pepper Building	110 Souris Ave	Weyburn
Labour Market Services	Kuziak Provincial Office Building	72 Smith St E	Yorkton

## Appendix D

### Enterprise Saskatchewan Reporting Requirements

#### Message from the Chair

As Chair of the Enterprise Saskatchewan Board, I am pleased to present this comprehensive overview of the recommendations and progress for the fiscal year ending March 31, 2013.

Over the course of several years, this board has watched Saskatchewan grow into the economic powerhouse that it is today. Fiscally, we are the envy of jurisdictions across the country and around the world; our business landscape remains strong and attractive to investors; we have more people living here than at any time in our history; and the number of jobs and opportunities to grow and succeed are endless. These are exciting times for this province, and the recommendations from the board have been instrumental in contributing to these numerous successes and in helping move Saskatchewan forward.

This past year has been marked by transition and change. In May 2012, Enterprise Saskatchewan was amalgamated into the Ministry of the Economy. This umbrella organization brings together the key drivers of the province's growth agenda with the mandate of advancing economic growth in Saskatchewan. In October, the Government of Saskatchewan revealed a new economic paper – the *Saskatchewan Plan for Growth*. The Ministry of the Economy, alongside staff of the former agency, has been working diligently to advance the goals and objectives that are set out in this latest fiscal roadmap for the province.

These major modifications have resulted in changes to the board and its membership. However, the recommendations that were collectively recommended to cabinet have not fallen short. We must acknowledge the work of the previous board members, as well as the former Enterprise Saskatchewan sector teams, issues councils and employees in providing these recommendations, which remain relevant under the guise of the new ministry and the growth plan. Information on these recommendations and activities are detailed in the pages that follow.

The Enterprise Saskatchewan Board participation and recommendations were significant in helping to ensure Saskatchewan's reputation as the best place to live, work and do business. This was a role that did not go unnoticed, and all board members, past and present, should be proud of the work that was accomplished. Saskatchewan is a province of endless potential, and I know all members appreciate the opportunity to have observed and contributed to its unprecedented growth and success.



Bill Boyd  
Board Chair

## High Level Summary of Board Recommendations

*The Enterprise Saskatchewan Act* was proclaimed on July 29, 2008, establishing Enterprise Saskatchewan (ES) as a special operating agency and an agent of the Crown. Under the direction of a 12-member Board of Directors representing business, labour, First Nations and Métis, urban and rural municipalities, post-secondary education, co-operatives, the resource industry, and agricultural producers, ES was mandated to review key sectors of the economy, identify barriers to growth and make recommendations to government to increase competitiveness.

The ES Board, assisted by the contributions of Sector Teams and Strategic Issues Councils, presented 79 recommendations to Cabinet between the agency's launch in 2008 and the amalgamation of ES into the new Ministry of the Economy in August 2012. Sixty-two of the recommendations have been implemented and are substantially complete, one is still in-progress and 16 were not approved by Cabinet. What follows is a summary list, in chronological order, of the recommendations and how they were resolved, as well as which organization, if any, bears ongoing responsibility in that area.

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Establish a Strategic Issues Council to improve business services and reduce regulatory red tape.	The Regulatory Modernization Council (RMC) was established in September 2008. The RMC developed a work plan with key action items that continue to be advanced. Priorities include improving regulatory service, increased regulatory accountability and transparency and expanding online regulatory services.	Ministry of the Economy
Create private sector-led Sector Teams to provide advice on removing barriers to growth and building on key strengths to capture opportunities in key economic sectors.	Eighteen Sector Teams, with nine business leaders on each team, were created to provide advice for addressing barriers to growth in their respective sectors. The number of Sector Teams was eventually reduced to eight in order to bring greater focus to key priorities.	Ministry of the Economy
Conduct a full evaluation of the economic potential for value-added expansion of the nuclear industry and environmental considerations for Saskatchewan.	A 12-person Uranium Development Partnership (UDP) released a report with recommendations on value-added opportunities in the uranium industry on March 31, 2009. Following extensive public engagement, a consultation report was issued September 15, 2009. A total of 18 of the UDP's 20 recommendations have been accepted by Government. In response to the recommendations of the UDP, the Government recently announced funding to establish a Nuclear Centre of Excellence, build a new linear accelerator to research the production of medical isotopes, and build a PET-CT scan for Saskatchewan.	Ministry of the Economy Innovation Saskatchewan

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Implement the Enterprise Region concept, subject to further consultations with Saskatchewan Urban Municipalities Association (SUMA) and Saskatchewan Association of Rural Municipalities (SARM).	In June 2008, consultations were held with the SUMA Board and the SARM Board and with SARM's six districts. Thirteen Enterprise Regions were subsequently established. In the 2012-13 Budget, the Government of Saskatchewan eliminated funding for the Enterprise Region program based on the determination that regional economic development decisions should be made at the local level and should be funded locally.	
Establish Enterprise Regions in northern Saskatchewan.	The formation of the new Northern Enterprise Regions was announced in the 2009-10 Budget, which provided \$1.4 million in funding. The Ministry of First Nations and Métis Relations subsequently established three Northern Enterprise Regions. Funding for the Northern Enterprise Regions was eliminated in the 2012-13 Budget.	
Pursue investment, labour and tourism attraction missions to Ontario, Alberta, Manitoba and British Columbia, and consider adding Atlantic provinces.	In response to this recommendation, ES, the Ministry of Advanced Education, Employment and Immigration, and Tourism Saskatchewan led a mission to Toronto in September 2008, attracting over 80 families to the province. A second mission to Toronto was held March 2009. The Saskatchewan Pavilion at the Vancouver Olympics was recognized as successfully marketing the province. This continues to be an important ongoing activity for the Ministry of the Economy, which regularly executes missions to target markets.	Ministry of the Economy Numerous Partners
Suspend any decisions on closures of rural schools for a three-year period, and undertake an immediate review of the critical role the primary education system and rural provincial infrastructure play in our province's economic development.	While a three-year moratorium was not implemented, the funding timeframe for a school designated as a School of Opportunity was increased from two years to three. (Designation as a School of Opportunity ensures continued funding during a three-year assessment period for otherwise "non-viable" schools located in communities that have potential for population growth and increased student enrolment.)	Ministry of Education
Establish an Entrepreneurship Council.	The Entrepreneurship Strategic Issues Council was active from November 2008 to the amalgamation of ES into the Ministry of the Economy in August 2012.	
Prepare a comprehensive entrepreneurship strategy.	An entrepreneurship strategy was developed under the guidance of the Entrepreneurship Council. The strategy focused on financing, mentorship, entrepreneurship education, access to information and competitiveness.	Ministry of the Economy

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Continue work to implement a proposed client-focused business gateway, with priorities to include more consistent forms across government, availability of online transactions and single-window business registration.	On March 16, 2010, Information Services Corporation (ISC) announced that it would be developing an online business portal to provide more convenient and cost-effective delivery of services to business. ISC has launched the first phase of the business portal, Business Registrations Saskatchewan, which allows businesses to register with the Corporate Registry, Saskatchewan Ministry of Finance and Saskatchewan Workers' Compensation Board (WCB) in one easy and convenient process.	Information Services Corporation
Focus on property taxes and personal income taxes for both low and high income earners as tax competitiveness priorities. Establish a Strategic Issues Council to research and advise on tax competitiveness measures to encourage economic development.	On October 21, 2008, the Premier announced the largest single-year income tax reduction in Saskatchewan's history. All income tax filers experienced a tax reduction, retroactive for 2008. On March 18, 2009, the Minister of Finance announced Saskatchewan's largest-ever single-year education property tax reduction. Tax reductions since 2008 mean that taxpayers are now saving \$165 million annually in property taxes and \$445 million annually in personal income taxes.	Ministry of Finance
Pursue further consultations and research regarding a results-based model for environmental regulations.	The Ministry of Environment is developing an Environmental Code, in collaboration with representatives of impacted stakeholder groups. The Environmental Code contains legally binding requirements and provides expected environmental results to be achieved by anyone conducting activities regulated by the code. For many low-risk activities, the code will allow proponents to proceed without ministerial approval.	Ministry of the Environment
Remove the annual sales cap for provincial funds from the Invest in Saskatchewan program (Labour-Sponsored Venture Capital Corporation (LSVCC) funds).	Cabinet approved an increase to the annual cap for each of the provincially-register million for the 2011-12 fiscal year and directed that a review be completed to ensure the program is meeting its mandate and is still relevant. In the 2013-14 Budget, the fundraising cap was lowered from \$110 million to \$80 million and greater emphasis was focused on innovation-related investments.	Ministry of the Economy Ministry of Finance
Require five-year capital plans for all public sector organizations, including health districts, school boards, universities, regional colleges and the Ministry of Government Services.	SaskBuilds, a new Treasury Board Crown corporation, has been established to drive innovation in infrastructure financing, design and delivery. SaskBuilds will lead the process of 5-year and 10-year infrastructure planning.	SaskBuilds

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Implement a plan to reduce the education component of property taxes.	On March 18, 2009, the Government of Saskatchewan announced it would cut and cap education property tax rates (mill rates) by setting province-wide tax rates for each of the three major property classes: residential, commercial and agricultural. Education property taxes were reduced by an additional \$55.6 million in the 2011-12 Budget.	Ministry of Government Relations
Make no changes to the small business income tax rate or structure.	No changes were made to the small business Corporate Income Tax (CIT) rate in the 2009-10 Budget or the 2010-11 Budget. The 2011-12 Budget reduced the small business CIT rate from 4.5 per cent to 2.0 per cent.	Ministry of Finance
Make no major changes to the Corporation Capital Tax structure.	No changes were made to the Corporation Capital Tax in the 2009-10 Budget or subsequent budgets.	Ministry of Finance
Examine targeted corporate tax measures to determine effectiveness in meeting policy objectives.	In 2010, ES worked with the Ministry of Finance to develop new targeted tax incentives to attract value-added mineral companies to the province. As corporate tax rates are continually reviewed as part of the budget development process, opportunities will continue to be examined in the priority sectors and put forward to Cabinet for consideration.	Ministry of Finance Ministry of the Economy
Implement the Ministry of Finance's draft Taxpayer Service Commitments and Standards Code. Direct other ministries that deal with entrepreneurs and industry to develop similar commitments and standards in consultation with stakeholders.	The Ministry of Finance implemented The Taxpayer Service Commitments and Standards Code. The Labour Standards Branch released "Principles of Service." Discussions have begun with other Ministries around the adoption of service standards. This recommendation will become part of the proposed regulatory impact assessment conducted by ministries as part of the regulatory review process.	Ministry of the Economy Numerous Partners
Establish a Youth Economic Engagement Strategic Issues Council.	The council met from early 2009 to 2012. Its work plan focused on four strategic priorities: youth entrepreneurship, workforce development, education and youth leadership development.	
Amend the R&D tax credit to make it refundable at a 15 per cent rate.	The R&D Tax Credit was made refundable at 15 per cent for qualifying expenditures incurred after March 18, 2009. The 2012-13 Budget introduced limits on refundability to the first \$3 million of eligible expenditures by Canadian-controlled private corporations. Other eligible expenditures qualify for a non-refundable tax credit.	Ministry of Finance

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Begin a process to implement a Regulatory Registry - a one-stop online consultation tool for proposed new and amended regulations - under the direction of the Regulatory Modernization Council.	Government determined that the processes currently in place for consultation are sufficient so did not approve the new online consultation tool.	
Establish an Inter-ministry Regulatory Modernization Committee of Deputy Ministers or designates to co-ordinate implementation of expected regulatory and related service recommendations within government, and report on progress to the Regulatory Modernization Council.	A senior level Inter-ministry Regulatory Modernization Committee was established to co-ordinate regulatory modernization within government.	Ministry of the Economy
Further analyze endowment funds as an option to sustain our provincial strategic research infrastructure.	An analysis of the use of endowment funds to sustain strategic research infrastructure was presented to the ES Board. The Board agreed with the findings of the analysis that the establishment of an endowment fund was not advisable in the current fiscal situation.	Ministry of the Economy Innovation Saskatchewan
Include consideration of the impact of utility rate increases on the economy and industry competitiveness in future Saskatchewan Rate Review Panel mandates, and in the absence of this mandate, that Cabinet consider the impact of rate increases on the economy and industry.	Government added the following to the Saskatchewan Rate Review Panel's terms of reference for the SaskPower Rate Change Proposal in 2010: "consider the effect of the proposed rate change on the competitiveness of the Crown Corporation relative to other jurisdictions." Industry concerns were brought to the attention of the Panel and government accepted the Panel's recommendations to reduce proposed increases. Ministry of the Economy will continue to inform government of the impacts that increases have on the province's competitive position.	Crown Investments Corporation Ministry of the Economy
Establish a Labour Market Council, subject to further development and consultation on its clear mandate and focus.	ES partnered with Advanced Education, Employment and Immigration and the Saskatchewan Chamber of Commerce to establish a Labour Market Task Force (LMTF), which continues to serve as the Labour Market Council. The LMTF identified labour market priorities for the Saskatchewan Plan for Growth and is working on a provincial labour market strategy.	Ministry of the Economy Numerous Partners

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Include Highway 903 as strategic infrastructure for the province's northwest, and accelerate the upgrade for completion by October 2011, subject to further cost analysis.	Highway 903's upgrades were not included among the top priorities for the Ministry of Highways and Infrastructure's current rolling Five-Year Capital plan, but remain in consideration for future years.	Ministry of Highways and Infrastructure
Eliminate fuel tax for all resource sectors using stationary equipment and off-road vehicles.	The financial implications of this recommendation were assessed by the Ministry of Finance. Government elected not to eliminate this class of taxation.	Ministry of Finance
Implement a renewable diesel standard mandate starting at B2 (two per cent biodiesel volume inclusion rate) and moving towards B5 as Saskatchewan production develops, and provide a blender's tax credit of 15 cents per litre for blendstock fuel produced and sold in Saskatchewan.	The Saskatchewan Renewable Diesel program was introduced with a two per cent renewable diesel mandate and a 13 cent per litre incentive.	Ministry of the Economy
Pursue the development of other independently managed venture capital growth opportunities wherever possible.	Innovation Saskatchewan completed a review of the Canadian venture capital landscape in 2010. In 2011, ES completed an internal review and analysis of Saskatchewan's venture capital/capital market. As a result of both of these efforts, recommendations were developed that include a proposed Investment Tax Credit and increases to the Small Business Loans Association program. ES increased its linkages with the Canadian capital market through the Canadian Venture Capital Association and the Association of Corporate Growth.	Ministry of the Economy Innovation Saskatchewan
Implement a 10 per cent Personal Income Tax rate in 2010.	The Government of Saskatchewan did not implement a 10 per cent Personal Income Tax rate in 2010. The 2011-12 Budget increased basic and spousal exemptions by \$1,000 and the exemption amount for each dependent child by \$500, thereby saving taxpayers \$60 million per year.	Ministry of Finance
Implement a 10 per cent Corporate Income Tax rate in 2010.	The Government of Saskatchewan did not implement a 10 per cent Corporate Income Tax rate in 2010, but a gradual reduction to a 10 per cent flat rate was announced in the 2012-13 Budget. Planned reductions have been postponed because of reduced revenue projections.	Ministry of Finance
Implement a harmonized sales tax within the context of a balanced budget.	The Government of Saskatchewan will not pursue sales tax harmonization.	Ministry of Finance

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Ensure government, Crowns and agencies have fully open consultation, tendering and procurement processes with industry.	An inter-ministry and Crown committee was formed to respond to the procurement-related recommendations. Following a presentation at the January 2010 ES Board meeting, the Board made a superseding recommendation asking ES to develop a program to make Saskatchewan businesses aware of opportunities in markets opened up by the New West Partnership (NWP).	Crown Investments Corporation Ministry of the Economy Ministry of Central Services
Develop a program to make Saskatchewan businesses aware of opportunities in markets opened up by the New West Partnership, and prepare an annual report for the ES Board on progress made by government agencies in ensuring that smaller firms have an opportunity to understand the procurement needs of government.	The Saskatchewan Trade and Export Partnership (STEP) completed a guide to doing business with other provinces. ES and STEP are working to ensure that all businesses are aware of opportunities. ES continues to chair the Provincial Corporate Procurement Committee. ES hosts an annual forum with the government Crown corporations to discuss opportunities for procurement that the NWP brings for Saskatchewan suppliers.	Crown Investments Corporation Ministry of the Economy Ministry of Central Services STEP
Work with private sector companies, ministries, Crowns and agencies to identify areas where the private sector can be engaged in P3s or where private sector delivery of services can be of benefit to the government while supporting economic growth and innovation in the province.	ES engaged other ministries and agencies to provide an update on policy related to public-private partnership (P3) opportunities in Saskatchewan. The creation of SaskBuilds will bring greater focus to P3s.	SaskBuilds
Provide funding to a lead coordinating agency to support commercialization in the life sciences value-added industry in Saskatchewan.	The Sector Team met with Innovation Saskatchewan and decided to take a different approach with this recommendation. A co-ordinating agency will not be established.	Innovation Saskatchewan
Establish an appropriate action plan to engage Aboriginal people in the economy, and make a bold statement not to allow jurisdictional issues to get in the way of ensuring full participation of Aboriginal people in our economy.	ES continues to work with the Aboriginal community to provide support to Aboriginal business projects in Saskatchewan and is actively involved in support to a number of Aboriginal business development events and Aboriginal development committees, and maintains economic development related memberships. In addition, ES has provided operational support to many of these events and organizations including the startup of the First Nations Economic Development Officers Network of Saskatchewan.	Ministry of the Economy Ministry of Government Relations

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Take steps to mitigate the impact on competitiveness of the three-tiered education property tax system.	The 2011-12 Budget reduced the second tier commercial mill rate from 15.75 to 14.75. The 2013-14 Budget established a single mill rate of 8.28 for commercial/industrial property and 11.04 for resources property.	Ministry of Finance Ministry of Government Relations
Review current mineral sector promotional activities and bring back a recommendation to the ES Board on an overall strategy, including whether the sector would benefit from enhanced collaboration among the stakeholders and whether an augmented budget is warranted.	The ES Board and the Cabinet Committee for Economic Development (CCED) agreed that the ES marketing approach is appropriate to its mandate. The recommendation was not implemented.	Ministry of the Economy
Lead the development of a plan to address minerals sector labour shortages.	Advanced Education, Employment and Immigration developed a strategy for the mineral sector in collaboration with the Saskatchewan Minerals Association Human Resource Council.	Ministry of the Economy
Create a centralized regulatory and inspection agency for mechanical and electrical contractors, with the intent of pursuing a model for all affected industries and regulators as a subsequent phase-in.	The Technical Safety Authority of Saskatchewan (TSASK) was established as a stand-alone agency on July 1, 2010, to provide licensing and inspections services for boilers, pressure vessels, elevators and amusement rides. Expansion of TSASK to include other functions is not currently being pursued.	TSASK
Co-ordinate the efforts of the provincial government and lead the development of an online one-stop business registration and approvals system.	Information Services Corporation's online portal, Business Registrations Saskatchewan, will be expanded to include additional services.	Information Services Corporation
Work with municipalities to reduce impediments caused by transportation weight limit variations and various hauling permits and fees among municipalities.	ES completed a study on the issue and met with various stakeholders to discuss a pilot project. The Government of Saskatchewan will implement a new online permitting system, in conjunction with municipalities for overweight transportation loads.	Ministry of the Economy Numerous Partners

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Optimize the current five-year transportation plan by more fully integrating the various modes of transportation to capture future economic growth opportunity. This should include introducing a requirement for accountability methods for measurable annual milestones and corrective actions.	The Ministry of Highways and Infrastructure develops and publishes a rolling five-year Capital Plan and an Annual Strategy and Action Plan that incorporates all modes of transportation, with key actions and performance measures. In June 2009, the ministry established a Northern Transportation Advisory Committee with industry and community leaders mandated to develop a comprehensive Northern Transportation Strategy.	Ministry of Highways and Infrastructure
Develop and fund the SaskMade marketing program with the objective of increasing the sale and consumption of Saskatchewan food products.	The Ministry of Agriculture declined the request for funding for the SaskMade marketing initiative.	Ministry of Agriculture
Increase the Small Business Loans Association (SBLA) loan limit from \$15,000 to \$20,000 with no change in lending criteria, and eliminate the SBLA cap of \$200,000.	The 2012-13 Budget provided for an increase in the individual loan limit to \$20,000, which came into effect on June 1, 2012. No change was made to the cap.	Ministry of the Economy
Support the development of a Virtual Mentorship Tool.	After consulting with stakeholders, it became apparent that a virtual mentorship service would entail a long-term significant financial commitment from government. It is unclear whether demand for the service would warrant such an investment. The project will not proceed at this time.	
Implement an aggressive entrepreneurial education component in the core curriculum.	The Government of Saskatchewan's commitment to expanding financial literacy and entrepreneurship education in the K-12 system was reiterated in the Saskatchewan Plan for Growth. Work continues with the Canadian Foundation for Economic Education, led by the Ministry of Education, to implement the "Building Futures in Saskatchewan" project. Funding was provided to Junior Achievement of Saskatchewan to expand delivery of its Company Program in Entrepreneurship 30 classes. In 2012-13, participation increased to 24 schools from 14 the previous year.	Ministry of Education
Initiate an efficiency and effectiveness review of all Crown corporations.	In 2012, Crown Investments Corporation (CIC) reported on significant Crown sector efficiency improvements and associated benefits to customers for the information of the CIC Board of Directors.	Crown Investments Corporation

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Request the Ministry of Agriculture to prepare a more detailed analysis of incentives for surface leaseholders on Crown land.	The Ministry of Agriculture prepared a detailed analysis on oil and gas surface leases on Crown land. The Sector Team was satisfied with the analysis and the existing administration of oil and gas surface leases on Crown land.	Ministry of Agriculture
Accelerate a helicopter rescue program in partnership with the private sector that builds on existing infrastructures within communities and enhances the existing emergency response sector in rural and remote areas.	The Government of Saskatchewan, in partnership with Mosaic and Crescent Point Energy, invested \$5 million in 2011-12 and \$10.5 million in 2012-13 to establish the helicopter-based Shock and Trauma Air Rescue Service (STARS).	
Provide companies permits to move drilling rigs on Sundays.	This recommendation has been implemented by the Ministry of Highways and Infrastructure.	Ministry of Highways and Infrastructure
Through the New West Partnership, implement best practices for regulatory harmonization in the areas of transportation, labour and trade, in consultation with other stakeholders.	Work has begun across government to fully implement the New West Partnership, including collaborating with British Columbia and Alberta to streamline regulations and standards that impede trade, investment and labour mobility.	Executive Council Ministry of the Economy Ministry of Highways and Infrastructure
Phase out the Corporate Capital Tax (CCT) Resource Surcharge.	This recommendation was not approved. The Ministry of Finance and Ministry of the Economy continue to monitor the competitiveness of the energy sector's total taxes and royalties including the CCT Resource Surcharge.	Ministry of Finance Ministry of the Economy
Initiate a high-level task force, with SUMA, SARM and multiple stakeholders to identify issues and develop recommendations for taxation policies and fees that would ensure that Saskatchewan municipalities have fair, transparent and equitable mechanisms for industry and those affected by resource industry development.	Work already undertaken by municipalities was determined to satisfy the requirements of this recommendation.	

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Cost-share the Aboriginal Economic Development Initiative at 50 per cent with First Nations and Métis groups or other funding partners.	Funding for the Aboriginal Economic Development Initiative proposed by Enterprise Saskatchewan was not approved, but the 2010-11 Budget announced \$3 million for a new CIC First Nations Business Development Program. Businesses that are 51 per cent owned by First Nations organizations are able to apply for loans from \$100,000 to \$750,000 that can be repaid with future business profits.	Crown Investments Corporation
Provide support for advertising and promotional activities to raise awareness of successful young entrepreneurs and generate greater enthusiasm for entrepreneurship among Saskatchewan youth.	Funding was provided to allow Saskatchewan Young Professionals and Entrepreneurs (SYPE) to lead a marketing campaign linked with the Silver Spade Awards. The campaign has been conducted mainly through social media.	Ministry of the Economy
Support the building of a provincial network of young professionals and entrepreneurs through a partnership with Saskatchewan Young Professionals and Entrepreneurs (SYPE). Use ES Regional Office staff to establish young professional networks in their respective regions.	Regional Enterprise staff were assigned to work on expanding SYPE in their respective areas. Contributions from ES were primarily in-kind. SYPE chapters are now incorporated in Saskatoon, Regina, Northcentral, Northwest, Moose Jaw, and most recently in Yorkton and Southwest Saskatchewan.	
Maintain the minimum wage at its current level and do not implement a 90% training wage. Direct the Saskatchewan Minimum Wage Board to give further consideration to indexation options, with the ES Board to comment on the options when they are developed.	The training wage was not implemented. The minimum wage was maintained at \$9.25 per hour for over one year after this recommendation, but has since been raised twice and is now at \$10.00 per hour. The recommendation to index future increases to the rate of inflation has not yet been implemented.	Ministry of Labour Relations and Workplace Safety
Reinforce the Government of Saskatchewan's existing commitment to marketing choice for barley, durum and wheat farmers.	The <i>Marketing Freedom for Grain Farmers Act</i> was passed into law on December 15, 2011. Through this legislation, Western Canadian grain producers have been provided with the same freedom to market their crops as their counterparts across the country.	Ministry of Agriculture

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Reinforce the Government of Saskatchewan's commitment to primary agriculture research and innovation by developing a plan for increasing research funding that is targeted to meet farmer needs. The plan should be in place as the economy begins to recover and target an overall increase in funding, from \$15.2 million to \$20 million, that is reflective of agriculture's contribution to the economy.	The Government of Saskatchewan announced an additional \$5 million increase over four years in agriculture research funding during the 2010-11 budget year.	Ministry of Agriculture
Implement a regulatory accountability initiative that incorporates a Regulatory Competitiveness and Transparency Act to improve the quality and transparency of regulations, encourage regulatory innovation, reduce the barriers to competitiveness imposed by unnecessary red tape, and require annual public reporting by ministry with regards to their progress towards regulatory modernization.	The Red Tape Reduction Initiative (RTRI) was highlighted in the October 28, 2010, Throne Speech. ES is now working with other ministries and agencies to implement the initiative, which will include a comprehensive review of all business-related regulations. <i>The Regulatory Modernization and Accountability Act</i> received second reading and is awaiting further direction for its implementation. The regulations have yet to be finalized and will be fashioned after the policy that has been created to implement government's RTRI.	Ministry of the Economy Numerous Partners
Publish a list of approvals and fees required of businesses by each ministry and agency on an annual basis with a summary report of trends.	The recommendation is being implemented as part of the Regulatory Information Database.	Ministry of the Economy
Form a task team to develop a comprehensive strategy/plan for Crown land around Lake Diefenbaker.	An Assistant Deputy Minister (ADM) Committee for Lake Diefenbaker has dealt with this issue.	
In consultation with related agencies, present a business rationale and model that would co-ordinate and assist commercialization and investment opportunities in the tourism sector.	ES led a review, in partnership with Tourism Saskatchewan and the Ministry of Tourism, Parks, Culture and Sport, that satisfied the requirements of this recommendation.	

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Consider, as part of the Ministry of Highways and Infrastructure business review process, the creation of an Air Transportation Unit to align air transportation policy and programs with the needs of aviation stakeholders.	A dedicated aviation unit is not being planned because aviation is regulated under federal authority. The Ministry of Highways and Infrastructure is implementing a new organizational structure that will more effectively integrate policy, planning, standards and program structures for all modes of transportation to meet improved citizen service objectives of government.	
Develop a northern transportation strategy inclusive of aviation, to attract investment and economic development.	The Ministry of Highways and Infrastructure is developing a comprehensive transportation strategy for northern Saskatchewan. The Ministry's approach to the development of a Northern Transportation Strategy (NTS) is to balance investment in both key economic corridors, as well as community access, which includes both roads and air transportation components.	Ministry of Highways and Infrastructure
Implement a national marketing campaign.	The <i>Real Growth. Real Opportunity.</i> campaign was launched in November 2010. The ministry ran year three of the <i>Real Growth. Real Opportunity.</i> campaign from February to March 2013. The campaign focused on recruiting skilled tradespeople and professionals from Ontario and Québec, which have large labour pools and higher unemployment. For that two-month period, the campaign website – <a href="http://www.thinksask.ca">www.thinksask.ca</a> – received almost 95,000 visits, more than the site received for the entire 2011-12 fiscal year.	Ministry of the Economy
Provide a process for government agencies and Crowns to consult with industry representatives prior to the formal Request for Proposal process as part of the Saskatchewan Crown's, Ministry's or Agency's strategic business planning.	ES held a Strategic Business Overview and Procurement Forum on April 14, 2011, in Saskatoon. Over 250 business people attended the event to hear presentations from 13 different Crowns and ministries.	Ministry of the Economy
Reinforce Saskatchewan's commitment to the successful negotiations of the Canada-European Union (EU) Comprehensive Economic and Trade Agreement.	A team representing ten Saskatchewan ministries and agencies, led by Intergovernmental Affairs, will continue to actively work to advance Saskatchewan's interests in securing a successful conclusion to the negotiations.	Executive Council Numerous Partners

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Take a leadership role in developing and implementing a strategy to promote and advance the common themes of the submissions from the western provinces' farm sector and agriculture industry associations to the Rail Freight Service Review.	The Ministries of Agriculture and Highways and Infrastructure have been active in defining and advancing the Government of Saskatchewan's position on rail service issues.	Ministry of Agriculture Ministry of Highways and Infrastructure
Review what is required to support the commercialization objectives of the creative industries.	ES led a review in partnership with the Saskatchewan Arts Board and the Ministry of Tourism, Parks, Culture and Sport that satisfied the requirements of the recommendation.	
Develop a program to incent government participation in demonstration projects as a first purchaser of innovation technology.	ES worked with Innovation Saskatchewan to address this recommendation through a productivity strategy. Innovation Saskatchewan decided not to submit a funding request in the 2012-13 budget cycle, but may continue to look for mechanisms to introduce a demonstration fund.	Innovation Saskatchewan Ministry of the Economy
Establish an Innovation Voucher Program with Innovation Saskatchewan developing and implementing the program.	Innovation Saskatchewan is assessing options to leverage other sources of funding and considering the Innovation Voucher Program within an overall productivity strategy. The productivity strategy was not approved for funding in the 2012-13 Budget.	Innovation Saskatchewan Ministry of the Economy
Adequately resource a response to address the scientific and economic/social policy issues related to the federal government's Recovery Strategy of the Woodland Caribou, Boreal Population in Canada.	The Ministry of the Environment has developed a technical committee and will direct a study of caribou populations, based on extensive science, over the next five years.	Ministry of the Environment
Take the necessary steps to have the cap on immigrant nominees into Saskatchewan raised from 4,000 to 6,000 per year.	The Government of Saskatchewan continues to urge the federal immigration minister to raise Saskatchewan's immigrant nominee cap to 6,000 immigrants per year.	Ministry of the Economy

RECOMMENDATION	RESOLUTION	RESPONSIBILITY
Communicate ES support for the review being undertaken by the City of Prince Albert, the surrounding municipalities, and the Ministry of Highways and Infrastructure, to determine the business case for the second bridge in the Prince Albert area.	Support for the review was conveyed to the Ministry of Highways and Infrastructure. A study by Stantec concluded that a second bridge will not be required, based on current growth projections.	Ministry of Highways and Infrastructure
Develop and implement a cost effective provincial meat inspection system in Saskatchewan by December 31, 2012 to allow for a smooth transition prior to the Canadian Food Inspection Agency's (CFIA) withdrawal of service.	On June 1, 2012, the Deputy Minister of Saskatchewan Agriculture indicated that the Ministry of Agriculture is committed to maintaining a provincial meat inspection system upon CFIA's withdrawal of services on December 31, 2013.	Ministry of Agriculture

**Enterprise Saskatchewan  
Financial Statements  
For the Year Ended March 31, 2013**

PROVINCIAL AUDITOR  
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Enterprise Saskatchewan, which comprise the statement of financial position as at March 31, 2013, and the statement of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

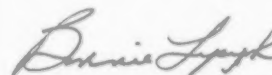
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Enterprise Saskatchewan as at March 31, 2013, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan  
June 25, 2013



Bonnie Lysyk, MBA, CA  
Provincial Auditor

Enterprise Saskatchewan  
REPORT OF MANAGEMENT  
FOR THE YEAR ENDED MARCH 31, 2013

The accompanying financial statements are the responsibility of the management of Enterprise Saskatchewan and the Ministry of the Economy. They have been prepared in accordance with Canadian Public Sector Accounting principles using management's best estimates and judgements, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the Agency's financial statements in accordance with generally accepted auditing standards and its report follows.



Kent Campbell  
Chief Executive Officer  
May 30, 2013



Denise Haas, CMA  
Chief Financial Officer  
May 30, 2013

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## Statement 1

### Enterprise Saskatchewan Statement of Financial Position as at March 31

	(thousands of dollars)	
	2013	2012
<b>Financial Assets</b>		
Due from General Revenue Fund (Note 3)	\$ 8,842	\$ 18,341
Accounts Receivable	24	80
	<u>8,866</u>	<u>18,421</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	<u>1,382</u>	<u>4,547</u>
<b>Net Financial Assets (Statement 3)</b>	<u>7,484</u>	<u>13,874</u>
<b>Non-financial Assets</b>		
Tangible Capital Assets (Note 10)	246	388
Prepaid Expenses	-	21
	<u>246</u>	<u>409</u>
<b>Accumulated Surplus (Statement 2)</b>	<u>\$ 7,730</u>	<u>\$ 14,283</u>

(See accompanying notes to the financial statements)

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## Statement 2

### Enterprise Saskatchewan Statement of Operations and Accumulated Surplus for the Year Ended March 31

	(thousands of dollars)		
	Annual Budget 2013	Actual 2013	Actual 2012
<b>Revenue</b>			
Grants from the General Revenue Fund	\$ 16,046	\$ 12,246	\$ 41,303
Other (Note 11)	-	544	245
	<u>16,046</u>	<u>12,790</u>	<u>41,548</u>
<b>Expenses (Note 7)</b>			
Administration	3,116	3,857	7,888
Regional Enterprise	859	632	4,548
Marketing and Communications	981	935	3,330
Competitiveness and Strategy	712	614	1,995
Sector Development	1,364	1,975	3,871
Investment Programs	9,014	11,330	22,617
	<u>16,046</u>	<u>19,343</u>	<u>44,249</u>
<b>Annual (Deficit)</b>	<u>\$ -</u>	<u>\$ (6,553)</u>	<u>\$ (2,701)</u>
<b>Accumulated Surplus, Beginning of Year</b>		14,283	16,984
<b>Accumulated Surplus, End of Year (Statement 1)</b>		<u>\$ 7,730</u>	<u>\$ 14,283</u>

(See accompanying notes to the financial statements)

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**Statement 3****Enterprise Saskatchewan  
Statement of Change in Net Financial Assets  
for the Year Ended March 31**

	(thousands of dollars)	
	<u>2013</u>	<u>2012</u>
<b>Annual (Deficit)</b>	\$ (6,553)	\$ (2,701)
Acquisition of Tangible Capital Assets	(18)	(214)
Amortization of Tangible Capital Assets	160	157
Decrease in Prepaid Expenses	21	1
<b>(Decrease) in Financial Assets</b>	<u>\$ (6,390)</u>	<u>\$ (2,757)</u>
<b>Net Financial Assets, at Beginning of Year</b>	<u>13,874</u>	<u>16,631</u>
 <b>Net Financial Assets, at End of Year (Statement 1)</b>	 <u><u>\$ 7,484</u></u>	 <u><u>\$ 13,874</u></u>

(See accompanying notes to the financial statements)

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**Statement 4****Enterprise Saskatchewan  
Statement of Cash Flows  
for the Year Ended March 31**

	(thousands of dollars)	
	<u>2013</u>	<u>2012</u>
<b>Cash (Used in) Provided by Operating Activities</b>		
Cash Receipts from General Revenue Fund	\$ 12,246	\$ 41,303
Cash Receipts from Other Operating Activity	544	245
Cash Paid to Suppliers and Employees	<u>(22,271)</u>	<u>(44,740)</u>
<b>Cash (Used in) Provided by Operating Activities</b>	\$ (9,481)	\$ (3,192)
<b>Cash Used in Capital Activities</b>		
Purchase of Tangible Capital Assets	<u>(18)</u>	<u>(214)</u>
<b>(Decrease) in Cash Equivalents</b>	(9,499)	(3,406)
<b>Due from General Revenue Fund, Beginning of Year</b>	<u>18,341</u>	<u>21,747</u>
<b>Due from General Revenue Fund, End of Year</b>	<u>\$ 8,842</u>	<u>\$ 18,341</u>

(See accompanying notes to the financial statements)

**Enterprise Saskatchewan  
Notes to the Financial Statements  
for the Year Ended March 31, 2013**

**1. Status of Enterprise Saskatchewan**

Enterprise Saskatchewan was established under the provisions of *The Enterprise Saskatchewan Act* proclaimed on July 29, 2008.

Enterprise Saskatchewan was created to further the economic goals of the Government of Saskatchewan. Enterprise Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

As a result of the reorganization of the provincial government in May 2012, the responsibility of developing and implementing Saskatchewan's long-term growth strategy now resides within the Ministry of the Economy. Base funding was transferred to the Ministry of the Economy for ongoing operations while the equity funding for ongoing long term programs remained until those programs wind-down. Administration costs beginning August 1, 2012 are now paid by the Ministry of the Economy. All remaining Enterprise Saskatchewan employees were transferred to the Ministry of the Economy. No new operations within Enterprise Saskatchewan are expected.

**2. Significant Accounting Policies**

These financial statements are prepared using Canadian Public Sector Accounting Standards appropriate for the public sector and reflect the following significant accounting principles:

**a) Revenue**

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue.

**b) Expenses**

Expenses represent the cost of resources consumed during the year for operations and grants made to third-party organizations. Grants are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

**c) Non-financial Assets**

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge existing liabilities unless they are sold.

#### d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

#### e) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Vehicles	5 years
Computer Software	3 years/life of warranty
Computer Hardware	5 years
Computer System Development	5 years
Non-Electronic Office Equipment	5 years
Electronic Office Equipment	3 years
Communication System Development	3 years

### 3. Due from the General Revenue Fund

Enterprise Saskatchewan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. No interest is paid on Enterprise Saskatchewan's average daily account balance.

### 4. Budget Approval

Enterprise Saskatchewan's 2012-13 budget was approved by the Board on April 27th, 2012 and appears on Statement 2. On June 27, 2012, the ES Board approved the appointment of Mr. Kent Campbell as ES Acting Chief Executive Officer and the transfer of ES staff and operations to the Ministry of the Economy, which was made effective August 1, 2012.

### 5. Related Parties

These financial statements include routine transactions with related parties. Enterprise

Saskatchewan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Central Services provides accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications and mail distribution to Enterprise Saskatchewan without charge. The Public Service Commission provides Enterprise Saskatchewan with human resource administration and payroll services without charge.

Since November 1, 2008, Enterprise Saskatchewan provided the Minister of Enterprise with ongoing administration of the Small Business Loans Association program, Ethanol Fuel (grant) program, and the Labour-sponsored Venture Capital Corporations program without charge. Administration of the Renewable Diesel Program was added April 1, 2011. Effective August 1, 2012 administrations of these programs were transferred to the Ministry of the Economy.

Related party transactions to March 31 include the following:

#### Related Parties

(thousands of dollars)

	<u>2013</u>	<u>2012</u>
Accounts Receivable	\$ 2	\$ 2
Accounts Payable and Accrued Liabilities	75	1,074
Other Revenue	239	140
Expenses	3,380	5,437

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Enterprise Saskatchewan pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

#### 6. Financial Instruments

Enterprise Saskatchewan's financial instruments include: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

## 7. Expense by Object

(thousands of dollars)

Expenses	March 31, 2013	March 31, 2012
Goods and Services	\$ 3,244	\$ 7,329
Grants and Transfers	11,847	23,576
Salaries and Benefits	3,904	12,439
Amortization	160	157
Travel	188	748
	<u>\$ 19,343</u>	<u>\$ 44,249</u>

## 8. Contractual Obligations

Contractual obligations include:

Enterprise Saskatchewan had lease agreements primarily with The Ministry of Central Services, a related party, for office space. Responsibilities for the remaining leases were transferred from Enterprise Saskatchewan to the Ministry of the Economy in August 2012.

Enterprise Saskatchewan has operating agreements that enable day-to-day operations of the agency.

Enterprise Saskatchewan has program related obligations to expand innovation and enhance the competitive ability of the Saskatchewan economy such as Western Economic Partnership Agreement, Community Development Trust Fund, Enterprise Regions and Saskatchewan Trade and Export Partnership.

(thousands of dollars)

	Leases	Operational	Programming	Total
2013-14	-	106	3,665	3,771
2014-15	-	-	-	-
2015-16	-	-	-	-
2016-17	-	-	-	-
2017-18	-	-	-	-
	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 3,665</u>	<u>\$ 3,771</u>

Contractual obligations do not include those contracts which are paid on a usage basis.

## 9. Designated Assets (thousands of dollars)

Enterprise Saskatchewan is holding \$5,109 as designated assets to be spent on the following programs in the future years.

- Enterprise Regions \$55
- Western Economic Partnership Agreement \$4,962
- Community Development Trust Fund \$92

## 10. Tangible Capital Assets

(thousands of dollars)

	Database Development	Communication System Development	Leasehold Improvements	2012-13 Totals	2011-12 Totals
Opening Cost	\$ 175	\$ 359	\$ 119	\$ 653	\$ 439
Additions during the year	18	-	-	18	214
Closing Cost	193	359	119	671	653
Opening Accumulated Amortization	-	225	40	265	108
Amortization for the Year	-	134	26	160	157
Closing Accumulated Amortization	-	359	66	425	265
Net Book Value of Tangible Capital Assets	\$ 193	\$ -	\$ 53	\$ 246	\$ 388

## 11. Other Revenue

Revenues include refunds of prior year expenses of \$417 thousand in 2013 (2012 - \$108 thousand).

